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PLA TO EXPAND CONTACTS WITH FOREIGN MILITARY FORCES

HK310636 Beijing CHINA DAILY in English 31 Dec 85 p 1

[By staff reporter Wang Gangyi]

[Text] Plans to expand contacts between the People's Liberation Army (PLA) and foreign military forces are under way to spur the PLA's modernization drive.

An official from the Defence Ministry's Foreign Affairs Bureau told CHINA DAILY yesterday that ties between the PLA and foreign military forces had reached an unprecedented level with frequent exchange visits by high-level delegations. Statistics show that, to date, 43 countries have opened military attache offices in Beijing. Since 1979, military delegations from more than 50 nations have visited China, many of them headed by defence ministers or chiefs of staff. The number of Chinese military delegations visiting foreign countries has also been increased rapidly over the same period.

The official noticed that in 1985 Chief of General Staff Yang Dezhi visited Italy and Turkey; Defence Minister Zhang Aiping visited Pakistan, Portugal and Romania; Deputy Chiefs of General Staff Han Huaizhi and He Qizong visited four Latin American nations and two African countries. The commanders of the Navy and the Air Force also toured France and Britain and the United States.

During the past 12 years, the official noted, China also dispatched many professional delegations or observation groups to investigate foreign military teaching methods, training facilities and equipment. Some of their observations have been adopted by the military at home, the official said. Most recently, two Chinese naval ships, a destroyer and a supply ship, from the PLA's East China Sea Fleet visited Pakistan, Sri Lanka and Bangladesh. This is the first time that naval ships have visited foreign countries since the founding of the People's Republic in 1949. The official said that in the next few years the PLA would strive to expand its exchanges with foreign countries and strengthen ties. "One aspect," the official said, "is to enhance exchanges between China's military academies and their counterparts abroad."

Only last week, the PLA set up a special university in Beijing. One of the aims of the teaching programme at the National Defence University is to encourage academic exchanges with foreign countries, including inviting foreign military leaders and experts to give lectures and sending research fellows and students on observation tours abroad.

PENG DI SPEECH REVIEWS INTERNATIONAL SITUATION

HK310504 Beijing XINHUA Hong Kong Service in Chinese 0342 GMT 30 Dec 85

[Text] Beijing, 30 Dec (XINHUA) -- LIAOWANG weekly carries today a speech made by XINHUA commentator Peng Di [1756 6611] at a forum held by the magazine to review the international situation. He focused on analyzing the question of war and peace. Following is the text of his speech:

The year 1985 is about to end. It is cause for rejoicing that the world survived 40 years since the end of World War II without another major war breaking out. Does this in fact indicate the calm before the storm of a still greater war? Or does it herald the dawn of a long period of peace? -- Everyone concerned with his own fate has the right to ask this question.

Now, in Southwest and Southeast Asia, the Middle and Near East, and Central and South America, many countries are being forcibly occupied, people are being slaughtered, sovereignty is being violated, and internal affairs are being interfered with. These places are, as before, the hot spots in the rivalry or power politics. Eastern and Western Europe, Northeast Asia, Washington, and Moscow are covered by the nuclear terror of U.S.-Soviet "mutually-assured destruction," and moreover this nuclear race is developing from the land, the sea, and the air into space. The threat of war is everywhere. Should a world war break out, it would bring disaster to the whole world.

However, this is only one side of things. It is precisely because a modern world war involves the security of every country, without exception, and also harms posterity, in ways that cannot be imagined, that worldwide opposition to war, especially against a major nuclear war, is becoming stronger and more widespread than ever before.

There is no doubt that the Third World countries, which have been the victims of war, are in the front rank in opposition to war. In the past they either suffered direct military aggression or else were forced into being used in power struggles, they were often embroiled in the prelude to world war, or became battlegrounds in foreign wars. Now, apart from a very small number of countries which wantonly engage in military aggression and depend on the superpowers to flaunt their superiority, all Third World countries are strongly opposed to the superpowers imposing war on them. The Third World covers vast areas throughout the globe. Many of these countries are rich in strategic resources, and some of them are themselves vital strategic areas. They have neither the capacity nor the desire to launch a world war, but they have the conditions and the resolve to frustrate moves to launch a world war.

As a large Third World country, China practices an independent and peaceful foreign policy. It firmly takes the side of peace, and its weight is certainly not insignificant in the balance between war and peace.

The countries of Western and Eastern Europe, which are the main military allies of the United States and the Soviet Union, have also long been unwilling to hitch themselves to the chariot of a world war. Europe was the main theater in the previous two world wars. If another major war breaks out, the threshold of a war of so-called "tactical" or medium-range nuclear weapons may very well be crossed here. We would like to ask, which European country, east or west, wants to become the first nuclear ash-heap!

As nuclear weapons have developed to today's level, the United States and the Soviet Union have themselves encountered serious new problems. In major wars in the past, Soviet, and especially American, soil could remain inviolate in the initial stages of the fighting. Now, the strategic nuclear weapons of the two countries can fall from the sky onto each other's land within half an hour. Thus the traditional conventional concepts of space and time have been changed, and their soil, including their capitals, is placed right in the very front line. We would like to ask, who of the American and Soviet people wants to become a nuclear target!

These are all harsh facts, which stimulate people to think, to debate, and to take action! Preventing a world war and preserving world peace has become the spontaneous obligation of all peaceful people. This strong antiwar feeling and action has given people greater confidence and brought hopes for peace. These hopes can be realized even though complex and arduous struggles will have to be waged.

REPRESENTATIVE TO UN CONDEMNS SOUTH AFRICA

OW311002 Beijing XINHUA in English 0948 GMT 31 Dec 85

[Text] United Nations, December 30 (XINHUA) -- The U.N. Security Council today unanimously adopted a resolution strongly condemning South Africa for its "killings and recent acts of unprovoked and premeditated violence" against Lesotho.

In the early hours of December 20, commandos of the South African Army attacked the Lesotho capital city of Maseru and murdered six South Africans and three Lesotho citizens. Four of the six South Africans were formally registered in Lesotho as refugees.

The resolution demanded "the payment by South Africa of full and adequate compensation" to Lesotho for the damage and loss of life resulting from the aggressive act, and that "South Africa must forthwith take meaningful steps towards dismantling of apartheid." It reaffirmed "Lesotho's right to receive and give sanctuary to the victims of apartheid in accordance with its traditional practice, humanitarian principles and its international obligations."

The resolution, drafted by Burkina Faso, Egypt, India, Madagascar, Peru and Trinidad and Tobago, also called on the U.N. secretary-general, in consultation with the Government of Lesotho, to have one or two non-military personnel stationed in Maseru, for the purposes of keeping him informed of any development affecting the territorial integrity of Lesotho.

Lesotho Foreign Minister Vincent Makhele and representatives of China, Senegal, Egypt, Burundi, Madagascar, Burkina Faso, Thailand, Peru, the Soviet Union, Luxembourg, the United Kingdom and South Africa spoke to the Council before the resolution was adopted.

In his speech, Chinese representative Li Luye strongly condemned the South African regime for violating the principles of the U.N. Charter and international law, and expressed his country's deep sympathy and support for the government and people of Lesotho.

He said that it was futile for the Pretoria regime, in an attempt to conceal its crime, to place terrorism on a par with the just struggle against apartheid waged by the South African people.

Li also said that the Security Council should mobilize the international community to take further sanctions against South Africa in order to support the southern African states in their just struggle against apartheid.

PRC YOUTHS TO DESIGN SPACE SHUTTLE EXPERIMENTS

OW271244 Beijing XINHUA in English 1156 GMT 27 Dec 85

[Text] Beijing, December 27 (XINHUA) -- Chinese students will design scientific experiments to be done aboard the U.S. space shuttle, according to an agreement signed here today between the Chinese Society of Astronautics and the American Association for Promotion of Scientific Popularization in China. The American association has booked cabin space for equipment to perform the students' experiments.

Under the agreement, the Chinese Society of Astronautics will ask for proposals next year from students in middle and polytechnic schools nationwide and choose those appropriate for the shuttle. The U.S. side will pay for the designers of the winning proposals to watch the space shuttle launch in the United States. Several U.S. scientists have been invited as advisors to the program.

Organizers of the program said today it is designed to heighten interest in space science among students.

REAGAN URGES SOVIET WITHDRAWAL FROM AFGHANISTAN

OW280756 Beijing XINHUA in English 0715 GMT 28 Dec 85

[Text] Washington, December 27 (XINHUA) -- U.S. President Ronald Reagan today called on the Soviet Union to withdraw its troops from Afghanistan and said that the continued Soviet occupation of Afghanistan remains an obstacle to overall improvement in U.S.-Soviet relationship.

In a written statement marking the sixth anniversary of the Soviet invasion of Afghanistan, Reagan said that the Soviet Union has resorted to "barbaric methods of waging war" in its effort to crush the Afghan people's resistance movement. "Indiscriminate air and artillery bombardments against civilian areas, savage reprisals against non-combatants suspected of supporting the resistance and the calculated destruction of crops and irrigation systems have ravaged the Afghan countryside," he said.

He reiterated that the United States "stands squarely on the side of the people of Afghanistan and will continue in its support" of their struggle against Soviet occupation. Reagan said a negotiated political settlement is the only way out in Afghanistan. Earlier this month, U.S. Deputy Secretary of State John Whitehead indicated that the United States is prepared to play a role in guaranteeing a cease-fire in that country and Soviet troop withdrawal.

The United States viewed the Afghan issue as a test for the Soviets on whether they are willing to cooperate in solving regional conflicts after the Geneva summit last November.

The Reagan administration also seems to be linking Soviet withdrawal from Afghanistan with a pending decision on the unratified SALT-2 treaty. A ranking State Department official said earlier that it was the Soviet invasion of Afghanistan that led to the refusal of the U.S. Congress to ratify the SALT-2 agreement. "So if that could be solved, it would set us on a healthier road," he said.

"Although we welcome any suggestion that the Soviets are prepared to back U.N.-led peace efforts, we will await positive developments on the ground and concrete evidence of Soviet willingness to agree to a timetable for withdrawal of their troops," Reagan said in the statement.

U.S. CONDUCTS 16TH UNDERGROUND NUCLEAR TEST

OW290848 Beijing XINHUA in English 0841 GMT 29 Dec 85

[Text] Washington, December 28 (XINHUA) -- The United States today detonated an underground nuclear test at its Nevada desert test site, the Department of Energy announced.

The test, reportedly to be connected with President Reagan's "star wars" program, is the 16th underground nuclear test announced by Washington this year. The test, code-named "Goldstone", had a yield of between 20 and 150 kilotons, said a spokesman of the department.

Pentagon and congressional sources said that "Goldstone" was designed to test a concept of harnessing X-rays produced by a nuclear explosion into a laser cannon to destroy incoming Soviet missiles. However, the Energy Department would not comment on the purpose of the test, which is the 646th announced nuclear test in the 34-year history of the Nevada test site.

Today's explosive was arranged in a vertical shaft of 1,800 feet below the ground at Pahute Mesa, about 104 miles north-west of Las Vegas.

U.S. KEEPS ANTITERRORIST MILITARY OPTION OPEN

OW310300 Beijing XINHUA in English 0229 GMT 31 Dec 85

[Text] Washington, December 30 (XINHUA) -- The United States indicated today that it would not rule out military action to deal with terrorism.

Referring to the terrorist attacks last Friday at Rome and Vienna airports which killed 18 people, including 5 Americans, and injured more than 100, White House spokesman Larry Speakes said today that the United States is prepared to work with other countries to take action against terrorism. He said U.S. policy was balanced, urging restraint to avoid action that could disrupt the Middle East peace process, while reserving the right to seek out, identify and punish terrorists, wherever they may hide.

State Department spokesman Charles Redman also said "The military option is one we have always maintained." "We have always retained the right to respond to terrorist acts in an appropriate, measured, focused way and other victimized states have a similar right," he added.

Observers here noted the statements appeared to be a retreat from the earlier U.S. response to the airports attacks. U.S. President Ronald Reagan last Saturday wrote to Israel and a number of Arab countries urging their restraint, for fear that any escalation of military action in the Middle East could disrupt peace process there.

RENMIN RIBAO ON SOVIET 'WHITEWASH' OF AFGHANISTAN

HK310412 Beijing RENMIN RIBAO in Chinese 26 Dec 85 p 6

["Random Notes" by Wen Zheng: "Superfluous Whitewash"]

[Text] While the world media are repeatedly urging the Soviet Union to solve the Afghan issue in a peaceful way, the latter always likes to boast that the situation in Afghanistan "has returned to normal" and "cannot be reversed." Saying this with such certainty as if the Karmal regime, surviving on Soviet support, had already managed to bring the situation under firm control and had a firm foothold, the Soviet Union is just trying to silence others.

However, it was exactly on 21 December, the eve of the sixth anniversary of the Soviet invasion of Afghanistan, that PRAVDA carried an article confessing that the current Afghan regime's policies were "far from being endorsed by all members" of the working class and that people supporting the national resistance forces "amounted to quite a lot." Of course, in admitting this fact, PRAVDA just spoke evasively. But even these few bits of information disclosed after censorship are enough to reflect the real situation: The Karmal regime is opposed by the broad masses in Afghanistan. The claims that the situation in Afghanistan "has returned to normal" and "cannot be reversed" are merely gross deceptions.

In fact, it has long been extensively known to the world that the Karmal regime is unpopular and suffers from various internal contradictions and repeated open factional fighting. The regime cannot survive for even 1 day without the support of Soviet bayonets. People can easily predict how long Moscow will be able to stand the increasingly heavy blows dealt by the Afghanistan people. Moscow's whitewashing of the situation is superfluous indeed.

BEIJING IN RUSSIAN ON SITUATION IN AFGHANISTAN

OW301317 Beijing in Russian to the USSR 1800 GMT 27 Dec 85

[Text] Dear Soviet listeners: You will now hear our radio correspondent (Wan Yiyu)'s review from Islamabad: "A Year of Strategic Balance of Forces in Afghanistan."

The situation on Afghan battlefields in 1985 is still characterized by a strategic balance of forces. In the 6 years of aggression by Soviet troops in Afghanistan, the people of the country have been subjected to incredible suffering and calamity." But they have not submitted and are courageously waging a guerrilla war on an area exceeding 6,000 square kilometers.

Despite the fact that the number of Soviet troops in Afghanistan has increased to 120,000 and that another 30,000 Soviet troops are stationed along the Soviet-Afghan border and often penetrate the inner regions of Afghanistan to perform temporary military tasks, the Soviet aggressors have managed to control only large and primary communication lines. Seventy-five percent of the country's rural area continues under partisan control.

In order to lift long-term encirclement by the partisans, destroy their manpower, and exert military pressure on Pakistan from the Afghan-Pakistan border regions, the Soviet invaders, started a number of large-scale military operations in Konarha Province in May, in the Panjsher Valley in June and July, and in Jaji and Khowst in Paktia Province in August and September. Using their air superiority, the Soviet forces subjected the centers of guerrilla activity to frenzied bombing. Soviet, not Karmal, troops are now used in major operations. Wherever they went they completely destroyed countless villages and seriously damaged farmland and irrigation systems.

Nevertheless, the Soviet occupation authorities failed to achieve any tactical objective apart from freeing some bases long-besieged by partisans. The partisan strongholds in the Panjsher Valley remain untouched, and enemy bases in Khowst are still encircled by partisan units. The main communication lines linking partisan bases with the outside world are functioning without interruption.

The participation of Soviet troops in large-scale military operations leads to increasing manpower losses every year. It is thought that Soviet troop losses have amounted to over 60,000 this year, meaning that they have doubled compared with last year.

There is a clear contrast in the new development of Afghan resistance forces this year. In the face of strong enemies, all the resistance organizations, and especially all the guerrilla units, have deeply realized the importance of closing ranks. In May this year, seven of the largest resistance organizations that had differences among themselves united into the new Islamic union of mujahidin of Afghanistan. On the battlefields, the various guerrilla factions began to coordinate their actions and this has enabled them to counter larger enemy attacks. In August this year, in battles on the Khowst front in Paktia Province, the Islamic party of the Gulbuddin faction and the National Front led by Gailani coordinated their actions and routed an attack by 10,000 Soviet-Karmal troops.

From fighting experience, the guerrillas realized the importance of creating rear supply and training bases. Over 100 relatively stable bases that play an important role in battles have been set up in various regions of Afghanistan. The partisans are paying serious attention to arming themselves with weapons captured from the enemy. In addition, skillfully using familiar terrain they conduct various types of guerrilla warfare against the enemy. In Herat Province the partisans have conducted underground battles. In the eastern mountain regions they ambush the enemy from behind bushes. While avoiding major enemy forces, they destroy retreating enemy personnel with the aid of mines or ambushes. Afghan partisans are also active in various Afghan cities. They attack enemy military objectives and administration buildings. In Kabul, the Soviet invaders have not yet made up their minds about lifting the state of emergency. In the Shindand region in Farah Province, the partisans attacked the largest Soviet air base in Afghanistan and destroyed 20 enemy aircraft. In brief, partisan activity is greatly worrying Soviet troops and the Karmal regime.

Another new gratifying change has appeared on battlefields this year. Partisan groups also started becoming active in the central region of Afghanistan where the situation had been more quiet during the last few years. Since the beginning of this year there has been a noticeable increase in the activities of partisans in strongly controlled Afghan regions bordering on the Soviet Union. This creates a direct threat to the security of the Soviet and Karmal supply lines. In the eastern regions, where fierce battles have never stopped, the partisans are fighting with high military spirit as always.

From what has been described above it can be seen that this year, despite the fact that there has been no change in the main strategic balance of forces on the battlefields in Afghanistan, the Soviet-Karmal troops are meeting with growing difficulties, and the Afghan people's resistance struggle is growing. In the international arena, this struggle is finding growing support. This year at the UN General Assembly session, an unprecedented majority of 122 votes was cast for the adoption of a resolution demanding the withdrawal of foreign troops from Afghanistan. It is now time for the Soviet Union to seriously consider the issue of withdrawing its troops from Afghanistan.

BEIJING VICE MAYOR NEW YEAR GREETING TO SOVIETS

OW310539 Beijing in Russian to the USSR 1800 GMT 30 Dec 85

[New year's greeting to Soviet listeners by Chen Haosu, vice mayor of Beijing Municipal People's Government]

[Text] Dear Soviet friends, the new year is just around the corner. A correspondent from Radio Beijing would like me to say a few words to the Soviet people. I very much appreciate this opportunity. First of all, on behalf of Beijing residents, allow me to sincerely wish the Soviet people and Muscovites a happy new year.

Two artistic ensembles from the Soviet Union -- The Moscow Classical Ballet and the State Academic People's Choir of the Belorussian SSR -- recently visited China. Beijing residents watched their remarkable performances with great interest. When songs familiar to the Chinese people such as "Katyusha" and "Moscow Nights" were heard on stage, the audience responded with tumultuous applause. Beijing residents enjoyed these concerts a great deal. The warm reception accorded to the cultural envoys expressed our friendly feelings toward the Soviet people. We heard that a well-known Chinese dance ensemble performed the national ballet "The Silk Road" on the Soviet stage and was also warmly received by the Soviet people. This is a good thing. There should be more frequent cultural exchanges between China and the Soviet Union. This is good for the peoples of our two countries. We hope that these friendly exchanges will continue to develop in the new year.

The coming year, 1986, is a most important one for the Chinese people. In the new year we will begin fulfilling the Seventh 5-Year Plan of economic and social development. We very much need a peaceful and stable atmosphere for building our country. The UN has designated 1986 as the International Year of Peace. Beijing is ready to conduct a whole series of activities to express our desire for peace. We are prepared to establish relations of friendship and cooperation with all neighboring countries. Our doors are open to all foreign friends. We welcome multifaceted meetings and contacts in the search for friendship. The entire world is marching forward, and with it is China and Beijing. We hope that relations between China and the Soviet Union and the two countries' capitals will also develop year after year. In conclusion, allow me to again pass on -- through Beijing Radio -- ardent new year congratulations to the great Soviet people.

TASS CONDEMNS U.S. UNDERGROUND NUCLEAR TEST

OW310738 Beijing XINHUA in English 0722 GMT 31 Dec 85

[Text] Moscow, December 30 (XINHUA) -- The Soviet news agency TASS today condemned the recent tests of U.S. nuclear weapons, saying that they were "assessed by the Soviet Union's leadership as not suiting the interests of solving cardinal questions of security that form the pivot of relations" between the Soviet Union and the United States. TASS said that the new underground nuclear explosion at a range in Nevada on December 28, was intended for developing laser equipment for anti-ballistic missiles and for the use of such weapons in space. By continuing nuclear tests for use both on earth and in space the Washington administration is contradicting its publicly professed position that it opposes nuclear wars and does not seek military superiority, the statement said. TASS said the tests in Nevada violated U.S. obligations under the 1972 anti-ballistic missile treaty, the SALT-2 treaty and the 1967 space treaty.

According to the official U.S. information, TASS said, the latest tests is the 16th nuclear test in the current year and the seventh nuclear explosion since the Soviet Union announced a unilateral moratorium on such explosions and urged the United States to follow suit.

TROOPS COUNTER SRV FORCES IN BORDER AREAS

OW301450 Beijing XINHUA in English 1437 GMT 30 Dec 85

[Text] Beijing, December 30 (XINHUA) -- Chinese frontier guards counterattacked Vietnamese troops last weekend in the Longzhou area of Guangxi Zhuang Autonomous Region.

The Vietnamese troops recently have intensified their armed provocations against Chinese border areas while concentrating forces on the Thai-Kampuchean border and starting their "eighth dry season offensive" in Kampuchea. Since last September the Vietnamese troops have launched over 500 armed provocations and incursions in the border area of Guangxi, killing 38 villagers, destroying more than 100 houses and kidnapping many people. Since November, they have bombarded 20 settlements and invaded the Longzhou area on three occasions, rendering people homeless and making it impossible for children to go to schools.

In the Laoshan area of Yunnan Province, the Vietnamese troops have made continuous bombardments and incursions over the past two months, killing scores of civilians and destroying many houses. In one single day, the Vietnamese troops fired more than 10,000 shells on the Chinese territory. Vietnamese agents were also sent to carry out espionage activities, lay mines, kidnap people and grab cows and grain in the Chinese territory.

To safeguard the lives of the people and to defend the territory, the Chinese troops launched counterattacks in the Laoshan area December 2 and in the Longzhou area December 28.

BEIJING VIETNAMESE OUTLINES SRV'S DIFFICULTIES

OW292316 Beijing in Vietnamese to Vietnam 1400 GMT 24 Dec 85

[Unattributed commentary: "Vietnam Is in A Bind Inside and Outside the Country, the People Suffer"]

[Text] Ten years have passed since Vietnam's victory in its war of resistance against the United States for national salvation. The Vietnamese people should have been able to live a peaceful and stable life. But, as a result of the Vietnamese authorities' warlike policy, invasion of Cambodia, and opposition to China, they have been bogged down on the Cambodian battlefield. Vietnam's prestige has been sullied in the international arena and its economy is in tatters. The Vietnamese people still live in suffering and want.

In last year's dry season, Vietnamese troops launched a large-scale military campaign along the Cambodian-Thai border, attacking and seizing a number of encampments of the patriotic Cambodian Armed Forces. Their so-called victory has gone to their heads. Recently, they even boasted that they would withdraw all their troops from Cambodia by 1990; that in 1987, there would no longer be a Cambodian issue.

However, Cambodian resistance forces have crossed the Thai-Cambodian border into Cambodia, and moved deep into the interior. They have waged military campaigns in areas around Tonle Sap and in the vicinity of Phnom Penh. They have attacked the Vietnamese aggressor virtually everywhere. Recently, Cambodian guerrillas controlled the Baray district capital in Kompong Thom Province. The more they fight, the more zealous they become. Meanwhile, as Vietnam conducts a war of aggression in a foreign country, and thus lacks a good cause, troop morale collapses, and desertions are increasingly frequent.

In the diplomatic field, the Vietnamese authorities have turned black into white, confused right and wrong, in their attempt to plead for their aggressive acts in the eyes of public opinion. However, the world community has seen through their odious trick.

For 6 consecutive years, the UN General Assembly has overwhelmingly passed resolutions demanding Vietnam's troop withdrawal from Cambodia, so the Cambodian people can exercise their right to self-determination. This year, the UN General Assembly, by a lopsided 114-21 vote, has again passed a resolution condemning Vietnam's invasion of Cambodia, and demanding its troop withdrawal from that country.

Vietnam has become an aggressor against, and an executioner in, a fraternal neighbor. What a tragedy! To support their expansionist policy, the Vietnamese authorities maintain a huge 1.2-million-strong Army, which has seriously drained its financial means. Vietnam's expenditures have considerably surpassed receipts. Its 1984 budget deficit ran to \$2.3 billion. Vietnam is an agricultural country. The Mekong Delta was once a world-famous granary. But now, Vietnam's annual food production fails to feed its own people. This year, it is experiencing a food shortage of some 1 million metric tons. Its industrial production is even worse. For lack of energy and shortages of finished and raw materials and machine spare parts, its factories operate at below 50 percent capacity -- just 30 percent in some. Since 1979, Vietnam has never been able to fulfill its annual plan norm -- and, of course, its partial 5-year plan norm.

In the past, Vietnam's economy mainly relied on foreign aid. But since 1979, foreign aid has decreased considerably. Although the Soviet Union is continuing to bolster, in a way, the nearly-collapsed Vietnamese economy, tanks and guns are no substitutes for paddy and rice. A number of major projects and subprojects are just like ample water too far distant to put out a fire.

As Vietnam's debt servicing ability is very poor, its indebtedness is growing. In 1984, its foreign debts amounted to over \$7 billion. It is experiencing increasing difficulties in obtaining loans. In mid-1985, because Vietnam failed to pay the International Monetary Fund the \$23 million falling due, the IMF declared Vietnam no longer credit-worthy. Vietnam is getting less and less help because it does not have a just cause.

Very serious imbalances exist in the Vietnamese economy. Annual national income decreases 3 percent a year on average. Its production remains sluggish. Commodities are very scarce, and commodity prices soar. Its markets are in a chaotic state, the annual inflation rate has doubled. In June this year, in an attempt to placate the discontent of workers and civil servants, the Vietnamese authorities launched a wage renovation drive. For all the substantial increases, the new wages have failed to keep up with soaring prices in the market. In September this year, the Vietnamese authorities again conducted a monetary exchange, applying measures to forcibly retrieve old bills. They ordered the people, and foreigners, to exchange their old bills for new in the space of a few hours, and in limited amounts. Large amounts of old bills that could not be exchanged in time, or were in excess of the specified exchange amounts, were instantly reduced to scrap paper. The monetary move, people say, was tantamount to plunder. But the new, more valuable currency has only served to drive up commodity prices more rapidly.

At a time when many countries are striving to boost their economies, and Asian countries' economies are also on the rise, the Vietnamese economy is in decline, and Vietnam is politically desperate both inside and outside the country. The Vietnamese people certainly feel they have no way out, and lose confidence. In fact, Vietnam still has a way out, by immediately changing its stance, ending its aggressive and expansionist policy, withdrawing all its troops from Cambodia, coexisting on friendly terms with other peoples in the world, especially with its neighbors, and engaging in peaceful economic construction. Otherwise, its future will certainly be bleak.

PRC-THAILAND ECONOMIC COOPERATION MEETING ENDS

OW301940 Beijing XINHUA in English 1858 GMT 30 Dec 85

[Text] Bangkok, December 30 (XINHUA) — The first meeting of the joint commission under the agreement on economic cooperation between China and Thailand closed here this evening with a new trade protocol. Praphat Limpaphan, Thai vice foreign minister and head of the Thai delegation, and Lu Xuejian, Chinese vice-minister for foreign economic relations and trade and head of the Chinese delegation, signed the summary of the meeting and the bilateral trade protocol at the closing ceremony.

Praphat noted at the ceremony that the two sides exchanged views over the existing problems at the meeting, which was conducive to strengthening cooperation as well as making a constructive solution to the problems. In his address, Lu observed that the two countries cooperated well in various economic fields and were fully confident in the further expansion of the cooperation.

During the six-day meeting, Thai Prime Minister Prem Tinsulanon, Foreign Minister Sitthi Sawetsila and Industry Minister Chirayu Itsarangkun na Ayutthaya received the Chinese delegation on separate occasions. The second meeting of the commission is scheduled to be held in Beijing later next year.

XINHUA INTERVIEWS SIHANOUKIAN ARMY CHIEF OF STAFF

OW301945 Beijing XINHUA in English 1907 GMT 30 Dec 85

["Sihanoukian National Army Active in Kampuchea (by Yang Mu and Cai Ximei)" -- XINHUA headline]

[Text] Phnomdong Rek, Kampuchea, December 30 (XINHUA) -- The Sihanoukian National Army (ANS) and its two allies in the tripartite coalition of Democratic Kampuchea are very active in Kampuchea's interior, according to high-ranking ANS officers. In an interview with XINHUA at a camp here today, General Tieb Ben, chief of staff of the ANS, said that the Kampuchean resistance forces readjusted their strategy and tactics in the second half of 1985. They sent large numbers of troops to the interior and mobilized local people to rise in resistance.

Tieb Ben said that in 1985 the ANS launched 253 attacks on Vietnamese troops, inflicting over 13,000 casualties on the enemy while itself suffering only over 800 casualties. Norodom Chakrapong, first deputy chief of staff of the ANS, disclosed yesterday at a jungle camp in Kampuchea that more than 5,900 ANS officers and men had moved to Oddor Meanchey, Siem Reap, Preah Vihear, Battambang and other provinces from border areas. Next year ANS troops would proceed to the vicinity of Phnom Penh.

The ANS troops had received training before going to the interior, he said. They were taught to act in close cooperation with their two allies in the tripartite coalition. The resistance forces have never ceased to receive military supplies, Chakrapong said, adding that their transportation units can easily pass through the Vietnamese blockade line on the Kampuchean border.

NAVAL VESSELS LEAVE BANGLADESH FOR HOME

OW301340 Beijing XINHUA in English 1322 GMT 30 Dec 85

[Text] Dhaka, December 30 (XINHUA) -- Two Chinese naval vessels, a destroyer and a supply ship, left Chittagong port for home this afternoon winding up a five-day goodwill visit to Bangladesh. The two Chinese-made naval vessels are under the command of Commander Nie Kuiju of the East China Sea Fleet of the Navy of Chinese People's Liberation Army.

Sultan Ahmad, chief of the Bangladesh Naval Staff, said at a banquet given by him in honor of the Chinese guests here yesterday that the Chinese naval ships' visit to Bangladesh is an eloquent testimony to the close and fraternal relations existing between the two countries. He believed that the visit would help strengthen the close and cordial ties between the two Navies.

During their stay in Bangladesh, Nie and other Chinese high ranking naval officers were received in Dhaka by President H.M. Ershad. The visitors were accorded a warm welcome at a civic reception held by Chittagong people. Commander Nie called on a number of Bangladesh naval officers including the Chief of the Naval Staff Sultan Ahmad. The Chinese naval officers and men visited naval exercise bases and naval vessels. They also had sports games with host teams.

This is the first time for Chinese naval vessels to visit foreign countries since the founding of the People's Republic of China. The Chinese vessels had visited Pakistan and Sri Lanka before coming to Bangladesh on the last leg of their goodwill visits to the three South Asian countries.

CPC GREETINGS TO INDIA'S COMMUNIST PARTY CONGRESS

OW301728 Beijing XINHUA in English 1638 GMT 30 Dec 85

[Text] Calcutta, India, December 30 (XINHUA) -- The Communist Party of India (Marxist) ended its 12th National Congress here yesterday with an enlarged Central Committee and Politburo. The congress, which started from December 25, re-elected E.M.S. Namboodiribad the general secretary, doubled the Central Committee membership to 66, left four vacant seats to be filled later, and enlarged the Politburo from eight members to 10 by inducting the state party secretaries of West Bengal and Kerala.

The five-day congress also adopted a political resolution. The total membership of the party has increased from 278,247 in 1981 to 367,828 at present.

In a message of congratulations to the congress, the Central Committee of the Chinese Communist Party said that "over a long period of time, the CPI (M) has made unremitting efforts to win and defend national independence, uphold the unity of all nationalities in India, develop national economy and protect the people's democratic rights." "It has engaged in active struggles to oppose imperialism and colonialism, support national liberation movements and safeguard world peace," the message added.

It also said the Chinese Communist Party and the Chinese people hold in high esteem the valuable contributions made by the CPI (M) in defending and further developing the friendship between the two countries and the two peoples. "We are convinced that the friendly relations between our two parties, which are built on the basis of Marxism and the principles of independence, complete equality, mutual respect and non-interference in each other's internal affairs, are conducive to the consolidation and further development of the friendship between our two countries and two peoples," the message said.

RENMIN RIBAO REVIEWS SITUATION IN EAST EUROPE

HK290850 Beijing RENMIN RIBAO in Chinese 24 Dec 85 p 6

["Year-End" by Ding Yiwei: "A Year in Which Eastern Europe Has Made Efforts for Peace and Development"]

[Text] The year 1985 is drawing to a close. This year, East European countries have made efforts for international detente and their economic development, and certain achievements have been made.

The two world wars caused heavy sacrifices and serious destruction to the people of Eastern Europe. Being victims of the two world wars, they bitterly hate war and ardently love peace. Today, as the people of the East European countries are concentrating their efforts on building their socialist countries, they badly need a peaceful international environment. During this year's celebrations of the 40th anniversary of the victory in the antifascist war, the East European countries carried out various activities to express their feelings against war and their desire for peace. The GDR called on the world to stop the disastrous arms race and to unite all forces to prevent all nuclear war. Honecker, general secretary of the GDR Socialist Unity Party, stressed: "Under no circumstance shall we permit the recurrence of war on German soil."

To promote East-West dialogue and ease international tension, the East European countries have taken diplomatic initiatives and increased exchanges of visits with Western Europe. In late October, Kadar, general secretary of the Hungarian Socialist Workers Party, traveled to the United Kingdom, the first visit by a top Hungarian leader to that country in nearly a century. Both sides declared that they would work for a more peaceful world. Not long ago, Polish leader Jaruzelski held talks with French President Mitterrand. The GDR and the FRG have increased their contacts and improved their relations. In April this year, the British foreign secretary visited Czechoslovakia and the GDR as the first official in that capacity since the establishment of diplomatic relations 20 years ago. The frequent contacts between Eastern and Western Europe are beneficial to easing the confrontational situation in Europe and preventing war. This fully suggests that the East European countries are important forces not to be underestimated on the international arena of opposing war and defending peace.

Moreover, the East European countries have also developed their relations with China in the economic, political, technological, and cultural fields. A series of agreements on cooperation were signed during the mutual visits by their deputy prime ministers, thus further improving bilateral relations.

The last and crucial year of the 5-year plan for social and economic development of each East European country is 1985. Over the past year, they have made certain achievements in speeding up scientific and technological progress, developing intensive production, and perfecting economic systems. However, there are still difficulties and problems.

This year, some East European countries have experienced dry weather, which has affected agriculture and industry to a certain extent. Of these countries, Bulgaria has suffered most seriously. A drought in Bulgaria like this year's has rarely occurred since the founding of the country. The water level in the lower reaches of the Danube receded to the lowest point in 100 years. Thus, agricultural and livestock production has dropped and hydropower generation has been seriously affected.

To overcome difficulties and reduce losses, the Bulgarian Government announced in September a plan on saving energy, water, agricultural products, building materials, and imported goods. The people throughout the country have taken various measures and tapped their potential. As a result, industrial departments have fulfilled their major economic targets, the market for agricultural products has remained stable, and the people's demand for daily necessities has been met.

In spite of adverse weather conditions, Romania has reaped 20 million tons of grain. The Executive Committee of the Romanian Communist Party has promptly worked out measures to tackle problems of fuel shortage and an inadequate electric power supply. Seriously affected by a drought and cold weather for 2 consecutive years, Hungary, while realizing its main economic targets, has not achieved ideal results in implementing its plans, and the growth rate of its national income is lower than the planned target.

This year, the agricultural situation has been good in Czechoslovakia and the GDR, which have reaped bumper grain harvests and fundamentally achieved self-sufficiency in grain supply. Poland has also fulfilled its agricultural targets and made good achievements in the purchase of livestock.

The GDR has made marked successes in industrial production. As a result of applying advanced science and technology, its labor productivity has increased by 7.9 percent, 7 percent higher than the state plan. According to the data released by the end of October, the country's national income rose by 4.5 percent over last year, and a steady development trend has been witnessed in the entire economy.

For Poland, 1985 is the last year of its 3-year plan aimed at overcoming the persistent economic crisis. Besides agriculture, it has fulfilled its plans for electrical machinery, light industry, and food industry. However, pay raises have been faster than increases in industrial production and the cash income of the citizens has increased in excess of commodity production. As a result, inflation has emerged. However, the general situation in the country has been stable this year. In an election on 13 October for the Ninth National Assembly, 78.86 percent of the electorate voted and all of the 50 candidates were elected. This marked the "end of the period of political conflicts and the restoration of domestic stability."

In the last year of the 5-year plan, each East European country has summed up its experience in implementing the plan. In March, Hungary held a party congress, at which work targets were set for the purpose of ushering in the next 5-year plan. In short, the economic situation in the East European countries is marked by both successes and difficulties and promises a better future.

CPC COMMISSION ISSUES PUBLIC NOTICE ON FRAUD CASE

OW300618 Beijing XINHUA Domestic Service in Chinese 1204 GMT 29 Dec 85

[By RENMIN RIBAO reporter Xiong Yongnian and XINHUA reporter Cai Guicun -- Beijing XINHUA Domestic Service in Chinese at 1234 GMT on 29 December transmits a "public notice," requesting Beijing and regional papers to give frontpage prominence to the following item]

[Text] Beijing, 29 Dec (XINHUA) -- Note of the Commission for Guiding Party Rectification of the CPC Central Committee: The following report is going to uncover a shocking case of fraud and profiteering. Prime culprit, Du Guozhen, and his accomplices in the case have been arrested and brought to justice, and, to the immense satisfaction of the people, will be severely punished by law. "The net of heaven has a large mesh, but it lets nothing through." Whoever dares to defy the law and commits a crime endangering society cannot escape punishment by party discipline and state law. It would be a miscalculation, with the idea of trusting to luck, to rely on money and deception to commit all kinds of outrages in the name of "reform" and "invigoration of the economy," and to remain at large. Our policies of opening to the outside world and invigorating the domestic economy must be firmly carried out, and our economic structural reform must be successful. It is precisely for this reason that economic criminals must be sternly dealt with. The speedy arrest of Du Guozhen and his ilk has demonstrated the power of our policy and law.

Why did Du Guozhen, "a worker-substitute-cadre office clerk," have such magical powers to become the so-called "God of Fortune," well-known by every household in Fujian Province? This is a question meriting deep thought and study to draw profound lessons for responsible comrades of all level party committees, government departments, enterprises, and institutions. The tricks played by this swindler and profiteer are nothing but cheating and bribery. To our surprise, however, a considerable number of departments and cadres had the impudence to serve him, follow his instructions, and even collude with his tricks to commit crimes. What does this case explain? It explains that, in the course of opening to the outside world and invigorating the domestic economy, some of our party-member cadres have completely disarmed themselves ideologically, sold their honor for money, forsaken their communist spirit and the party's goals and programs, and degenerated into sinners, condemned by the people. It also explains that some of our leading departments and cadres were extremely bureaucratic, failed to conduct investigation and study, relaxed vigilance against criminals during the reform, and were thus deceived and foolishly abetted their crimes. Couldn't these vivid lessons set people thinking?

"To clearly commend good and eradicate evil, herein lies justice." We should give wide publicity to good people and their courageous deeds of struggling against evil practices, and should not be lenient with, but should sternly strike at, economic and other crimes. It is necessary to investigate and punish any unit or individual who has accepted bribes and given the green light to criminals, or bent the law to the benefit of, and provided shelter for, criminals. It is also necessary to investigate the responsibility of dereliction of duty by bureaucratic officials, and firmly ban "phantom companies" engaging in speculation, profiteering, and other fraud. Only by doing so can we foster a healthy atmosphere and eliminate evil to facilitate rectification of party style and general social conduct, safeguard the interests of the state and the people, ensure the smooth progress of reform, and promote the building of the two civilizations. (end note)

A major case of profiteering and fraud has been uncovered in Fujian Province. Du Guozhen, the so-called "God of Fortune," who was once a household figure in Fujian, is the prime culprit.

Through close cooperation by the Central Discipline Inspection Commission, the Supreme People's Procuratorate, the Fujian Provincial CPC Committee and departments concerned, and prefectural and city party committees concerned in investigating this special case over 8 months, crimes committed by criminal Du and his ilk have been solved. Criminal Du was arrested last March, as were the 21 criminals who accepted bribes from him or neglected their duties, including Liu Ashun, deputy commissioner of the Ningde Prefectural Administrative Office; Hu Liangji, former secretary of the Xiapu County party committee; Wu Jincai, deputy head of Jiaoqu District in Fuzhou City; Zheng Tingcan, president of the Lougu District Court; and Chen Lianghuan, director of the Ningde Prefectural Cannery.

Du Guozhen, aged 53, was originally a worker-substitute-cadre office clerk of a construction team under the Fujian Provincial Highways Bureau, who left his job to engage in business in 1983. While building Jianhong Company in Xinxiang (later changed to Jianxing Company) under contract with Fuzhou City and co-managing Yufeng Company with the Jiaoqu District Committee for Foreign Economic Relations between June last year and March this year, he colluded with others in committing economic crimes involving a total of some 240 million yuan. Besides, he purchased from the blackmarket U.S. \$108,000 and HK\$619,000 and illegally took this money out of the country. In carrying out these criminal activities, Du Guozhen spent a total of 200,000 yuan in bribing the Xiapu County party committee, the county government, the Gulou District Court in Fuzhou City, and a number of government cadres with cash and gifts. Committing outrageous crimes, Du Guozhen and his ilk sold a large quantity of defective canned mushrooms in Hong Kong, seriously damaging the country's foreign trade reputation. Due to the mildew and rot of their smuggled goods and other reasons, the state and collectives suffered over 40 million yuan in immediate economic losses. A number of cheated units experienced tremendous difficulties in production and operations, and some were even on the verge of bankruptcy. Many units and cadres inside and outside the province were involved in this case.

Du Guozhen was able to freely carry out criminal activities, primarily because of his manipulation of some cadres who sold honor for money, cheating and bribing them with money and gifts to make them work for him. He swindled and bluffed everywhere, pretending that he maintained important connections with banking and commercial circles in Taiwan and Hong Kong, and that he had the support of big financial groups overseas. Boasting that he could introduce a several-hundred-million-dollar foreign investment, he initiated investment agreements at random, or gave verbal promises on investment. Under the pretext of giving donations, he tried to establish connections with offices and organizations in order to inflate his ego. He swindled legal business certificates with the promise of giving away dividends. He obtained, by cheating, a total of seven titles, including "chairman of the board of directors," "honorary chairman of the board of directors," and "honorary vice president," and unscrupulously publicized them in local newspapers.

Using all these means, Du Guozhen was swollen with conceit. Blinded by lust for gain, Cadres of some units regarded him as "God of Fortune," gave the green light to his speculation and fraud, and even participated in his crimes. Lured by the promise of dividends, leaders of the Qiaoqu District Committee for Foreign Economic Relations in Fuzhou City approved criminal Du's application to set up a company, as well as the committee's joint management with him in the name of Huafu Company, and notified industry and commerce administrative, tax, banking, and other departments concerned to allow him to complete the procedures to set up the company. Lacking sufficient funds for his smuggling activities, criminal Du used a fake purchase and sale contract to receive a 10-million-yuan loan at once from the credit department of the Fuzhou branch of the Bank of China, without going through investigation and review.

In purchasing canned mushrooms, he obtained from director of the Ningde prefectural cannery, Chen Liangyuan, at a low price, 986 metric tons of canned mushrooms unqualified or untested for export. In order to receive a several-hundred-thousand-yuan berth fee, former secretary of the Xiapu County party committee, Hu Liangji, and others arranged a berth for loading criminal Du's smuggled goods, and even requested, through the prefectural administrative office, units to dispatch motor vehicles to hurriedly transport the smuggled goods. When the port administration refused to give the exit permit on the grounds that the goods had not gone through joint inspection by the customs, border defense, commerce, and quarantine departments, Hu Liangji went so far as to force the county port station, which was only in charge of inland water navigation, to complete the exit procedures.

After the smuggled goods arrived in Hong Kong, they were unsalable because of the absence of a commodity inspection certificate. Liu Ashun, deputy commissioner of the Ningde Prefectural Administrative Office, ordered the Ningde prefectural cannery to produce a fake commodity inspection certificate for criminal Du. When Du was engaged in smuggling for the second time, Liu Ashun again ignored the prohibition by the provincial government and departments concerned and ordered the cannery to again provide 2,000 metric tons of canned mushrooms to Du, and Hu Liangji to go to the provincial capital to lobby for Du. When criminal Du was in need of space for his operations, leaders of the provincial trade union federation approved the use of an entire floor in the Jinjishan Sanatorium by Du as an "office," in addition to four recuperating rooms for senior cadres as a residence for Du and his son. To seek legal shelter for his fraudulent activities, criminal Du had the help of people from the economic court of the Gulou District Court of Fuzhou City in dealing with law suits, besides the "advice" given by Yufeng Company and his personal legal adviser.

After Du Guozhen's crimes were brought to light, the Fujian Provincial CPC Committee immediately made a decision to investigate and handle the case. The Fuzhou City People's Procuratorate set up a task force on 9 March this year to investigate the case. The Supreme People's Procuratorate dispatched a work group to Fujian in July to work with and give guidance to the provincial and city procuratorates on this case. The provincial party committee and prefectural and city party committees concerned set up a leading group on the case and assigned over 100 cadres to take part in the investigation. In the course of the investigation, the procuratorial personnel overcame all sorts of resistance, such as defense for leading cadres involved under the pretext of "a good motivation and anxious to become better off" or "lack of experience," and conscientiously removed interference and handled the case in the spirit of giving severe punishment regardless of the position of individuals involved. The investigation into this major case of fraud and profiteering has been completed. The court will prosecute and try Du Guozhen and his accomplices in a few days. Other personnel who have committed serious mistakes in this case will also be severely punished by and departments concerned in accordance with party discipline and state law.

CPC SECRETARIAT DISCUSSES CORRECTING PARTY STYLE

OW310145 Beijing XINHUA Domestic Service in Chinese 0734 GMT 30 Dec 85

[Text] Beijing, 30 Dec (XINHUA) -- After hearing reports made since mid-December by the party committee of the government offices directly under the CPC Central Committee, the party committee of state organs at the central level and the Beijing Municipal CPC Committee on correcting party style and resisting unhealthy tendencies, the Secretariat of the CPC Central Committee has decided to firmly grasp the issue of party style in party, government, and military organizations at the central level and the Beijing municipal party and government departments, and achieve effective results within a period of six months to one year.

The Secretariat of the CPC Central Committee emphatically pointed out: Some of the unhealthy practices, such as liberalism in the political sphere and bureaucracy in one's work style, mainly come from leading bodies, not grass-roots units. Such unhealthy practices are more prevalent in central leading bodies than the local ones. Economic malpractices, such as running companies in violation of relevant regulations laid down by the central authorities, are also fairly serious in party and government departments at the central level. Unhealthy practices that occur in leading bodies are even more harmful than those that prevail in basic-level units. If the party, government, and military organizations at the central level set an example in improving their style of work, it will create favorable conditions for bringing about a fundamental turn for the better in the party work style throughout the country.

The Secretariat of the CPC Central Committee held: Since the 12th National CPC Congress, party work style and social conduct have been improved. However, the results are still not ideal, and many problems remain. The main cause is there has been a tendency to do less work but more empty talk. Bureaucracy prevails to a serious extent. The party, government, and military organizations at the central level and the Beijing municipal party and government departments must overcome bureaucracy; start with themselves, with the leading organs, and with senior cadres; make less empty talk; perform more actual deeds; and carry out their work in a down-to-earth manner. If any department fails to correct serious malpractices, leaders of the department will be held accountable.

To correct unhealthy tendencies, it is necessary to, first of all, firmly solve the six serious problems mentioned in the 26 November circular issued by the General Offices of the CPC Central Committee and the State Council, and to further earnestly correct the liberalist trend in the political sphere, the bureaucratic trend in work, and the malpractice of seeking personal gain by abusing one's power or authority. Such trends and malpractices exist in our leading organs.

Right now, the party, government, and military organizations at the central level and the Beijing municipal party and government departments have already taken action, proceeded from the actual conditions in their own organization, and worked out plans in correcting the party style. Recently, several major economic cases were handled, and several leading cadres at the bureau level were punished according to law in Beijing Municipality. The leading comrades at the central level held: This is a good start. We must persistently carry out our work in such a manner. We must not give up halfway. It is for this reason that we must pay attention to the following points:

-- It is essential to bring into full play the role of the party organizations, firmly follow the mass line, expose contradictions, distinguish right from wrong, and solve problems. The great majority of our cadres, party members, and masses are good. They abhor unhealthy tendencies. Satisfactory results can definitely be achieved as long as the party organizations bring their proper role into full play, recruit the activists among the masses into the party, and act in strict accordance with the party's policies and the state laws.

-- Leading cadres must take the lead and start with themselves, and discuss the issues while making corrections. In dealing with general issues, we must attach importance to education while making corrections in good time. Listless and irresponsible party and government functionaries and serious bureaucrats who refuse to correct their errors will be dismissed from office according to the party Constitution and state laws. Those party members and cadres who are involved in serious cases must be disciplined or punished according to law. At the same time, we must promote to various leading posts the group of middle-aged and young cadres with strong party spirit who display the correct work style, work hard, and dare to uphold principle and combat unhealthy tendencies.

-- In the course of correcting unhealthy tendencies, we must concern ourselves with the well-being of the masses. Cautious steps should be taken in dealing with cases involving the interests of the masses of the people. The system of some units is not so perfect. Steps must be taken to perfect rules and regulations and plug all loopholes by carrying out investigations and study. It is necessary to run canteens, kindergartens, and other welfare facilities well and help solve practical problems among the people.

WAN LI, LI PENG SPEAK ON ECONOMIC COOPERATION

OW3C1417 Beijing XINHUA Domestic Service in Chinese 1255 GMT 29 Dec 85

[Text] Beijing, 29 Dec (XINHUA) -- When the national conference of economic and technical cooperation was in session, Comrades Wan Li and Li Peng were individually briefed about the situation of economic and technical cooperation. Fully endorsing the achievements in carrying out economic and technical cooperation, they urged all regions and departments to promote lateral economic ties in accordance with the principle of reciprocity for mutual benefit.

Wan Li said: Much success has been achieved in the nation's economic and technical cooperation, which has been carried out quite successfully over the past 2 years. This is a very important task that is highly useful for enlivening the economy. Now, three projects, namely, the transfer of technical knowhow, the transfer of skilled personnel, and the transfer of products, should be carried out properly. In short, all regions and departments should open to each other. If the coastal areas are willing to transfer their technology to the inland areas, both sides will benefit. Barriers should be removed resolutely. The place that imposes barriers will find itself outpaced. It is not easy for the coastal areas to transfer their products and technology to the inland areas, because there will invariably be some obstacles. While the developed areas may not be willing to let others share their technology, the less developed areas may not be able to use the new technology. Such being the case, the technology-sharing project should be carried out on the basis of the principle of reciprocity for mutual benefit.

Wan Li said: Management is a big issue. Good technology will be of little use if nobody knows how to manage it. Therefore, it is imperative to step up training for the necessary personnel. With regard to achieving common prosperity, those who work hard and are skilled will naturally become affluent ahead of others, and those who are lazy and unwilling to work naturally will not be able to become affluent very quickly. Progress can never be achieved through practicing egalitarianism or eating from the same big pot.

Wan Li pointed out: The State Economic Commission should oversee the nation's economic and technical cooperation, making sure that it is properly carried out.

Li Peng emphasized that, like the use of patents, the sharing of economic and technical knowhow should not be free of charge. He said: Economic and technical cooperation is technical transfer in a broader sense. A royalty-based transfer of technology is conducive to popularizing technology and encouraging invention and creation. However, high prices, let alone extortion, should be discouraged. A royalty-based economic and technical cooperation will play a vital role in reinvigorating our enterprises and economy.

Li Peng said: After our enterprises got greater decision-making authority, this change gave rise to new forms of economic ties. To give greater play to the enterprises' technology, raw and semifinished materials, and personnel, a good way is to promote inter-enterprise cooperation, or establish integrated economic establishments.

These establishments can be tightly or loosely organized, they can have ties with various other departments or regions, or fall under different systems of ownership. Various departments concerned should support, and not arbitrarily obstruct, those enterprises that want to organize themselves into integrated economic establishments.

Li Peng said: Much success has been achieved in recent years in promoting economic and technical cooperation, and the success is still growing. Such a development is an important aspect in the restructuring of our country's socialist economic system. Our country's economic development is highly uneven. The gap between the eastern and western part of our country is an objective reality, and uneven development also exists within a province or a region. A good way to broaden the use of advanced technology and experiences is to promote lateral cooperation and exchange.

Li Peng pointed out: Enterprises engaged in production of supplies for national defense are an important productive force in our country. However, for various reasons, the potentials of their capabilities have not been brought into play. Economic and technical cooperation should be able to liberate these potentials so that they can play a still greater role in our country's economic construction.

YEAR-END STATISTICS ISSUED ON 1985 ECONOMY

OW300901 Beijing XINHUA Domestic Service in Chinese 1235 GMT 29 Dec 85

[Excerpts] Beijing, 29 Dec (XINHUA) -- Year-end statistics released by the State Statistical Bureau show that the development of China's national economy in 1985 has been fine. The annual total industrial and agricultural output value is expected to be about 14 percent higher than last year. Most of the targets set in the Sixth 5-Year Plan have been fulfilled or overfulfilled ahead of time, laying a good foundation for implementing the Seventh 5-Year Plan starting in 1986.

The undesirable trends during the first half of this year -- the excessive speed in the development of industrial production, the excessively large investment in fixed assets and the excessive growth of consumption funds -- were initially brought under control during the third quarter. Reform in the economic system has invigorated the urban and rural economy and boosted production. The market is brisk, the financial situation has improved, and the people's living standards have further improved.

The development of China's national economy in 1985 can be characterized as follows:

1. Agriculture continued to grow in the course of readjusting production structure. Grain acreage accounted for 75.6 percent of the total crop acreage, down from 78.3 percent in 1984. The output of cash crops markedly increased, with the exception of cotton, whose output was reduced as planned. The total grain output will be lower than last year, but will still be the third peak year since the founding of New China. Cotton output will be lower than last year, but higher than the original output planned by the state. The output of sugar and oil-bearing crops increased considerably. The supply of cured tobacco, jute, and bluish dogbane will exceed demand. The development of forestry, animal husbandry, and fishery was accelerated. More forests were planted with better results, and larger increases were made in the output of meat, poultry, eggs, milk, and aquatic products. The total annual agricultural output value is expected to be about 10 percent higher than last year.

2. Industrial production switched from an excessively high to a basically normal rate of increase. The total industrial output value from January to November was 749.9 billion yuan, 14.8 percent more than the same period last year. The annual total is expected to exceed 820 billion yuan, 17 percent more than the same period last year.

3. Communications and transport continued to grow. From January to November, 1.03 billion people were transported by rail, 0.7 percent more than last year. Some 1.17 billion metric tons of goods were shipped by rail, a 5.4 percent increase. The volume of freight transport by ship and air and the volume of business of postal and telecommunications departments increased by a wider margin compared with last year.

4. Investment in capital construction slowed down somewhat rather than increasing rapidly, and the construction of key state projects was accelerated. The progress of 169 key projects given priority in the state plan was obviously faster than the ordinary projects. In the first 11 months, 91.7 percent of the planned investment was fulfilled. Investment in energy and communications projects increased by a fairly large margin over last year. Greater efforts were also made in housing construction. During the first 11 months, 37.05 million square meters of housing were built, exceeding the same period last year by more than 2.9 million square meters.

5. Urban and rural markets were thriving and stable, and foreign trade expanded. The market has been fairly active since the beginning of this year. On the whole, the supply of goods has been sufficient. From January to November, the total retail volume was 383 billion yuan, exceeding the same period last year by 27.9 percent, and by more than 17 percent after allowing for price readjustment.

According to customs statistics, total import-export volume from January to November was \$59.9 billion, exceeding the same period last year by 26.5 percent. Progress was also made in importing advanced technologies, using foreign capital, operating joint ventures, contracting for projects abroad, and so on.

6. The state was in good shape financially, and the credit and loan situation was fine. With the development of production and the expansion of circulation, state financial revenues increased considerably. From January to November, the accumulated amount was 168.5 billion yuan, 43.5 billion yuan more than the same period last year, a 34.8 percent increase. If calculated in terms of comparable items, the rate of increase was 23 percent. This was higher than the rate of production increase.

By the end of November, the annual readjusted budgets were overfulfilled by 6.1 percent and ahead of schedule. Revenues and expenditures will be balanced, and deficits eliminated for this year. From January to November, cash receipts exceeded the same period last year by 33 percent, higher than cash disbursement, which topped the same period last year by 29.9 percent.

7. The actual income of residents increased, and their living standards continued to improve. This year prices rose higher than last year. Judging from the average price level from January to November, the general index of market retail prices exceeded the same period last year by 8.5 percent. Prices in urban areas rose by 11.2 percent, and those in rural areas rose by 6.4 percent. Prices in some large and medium-sized cities rose by fairly large margins. This was caused by price readjustments. Some localities failed to exercise effective control, and some units and self-employed workers raised prices unscrupulously, resulting in somewhat lower living standards for some low-income families.

The State Statistical Bureau noted that during the coming year, it is necessary to further strengthen macroscopic control, persist in making reforms, vigorously increase social and economic results, continue to ensure adequate agricultural and industrial production, ensure ample market supplies, strictly control the scale of investment in fixed assets, carefully sort out the projects under construction, tighten supervision over newly launched projects, promote exports to earn foreign exchange while opening to the outside world, increase the foreign exchange reserves of the state, and bring about a sustained, steady, and coordinated development of the entire national economy.

RENMIN RIBAO ADVOCATES NEW GRAIN PRODUCTION IDEA

HK301130 Beijing RENMIN RIBAO in Chinese 21 Dec 85 p 2

[Article by Yao Liwen and Wu Changsheng: "A New Concept in Grain Production"]

[Text] Since abandoning the idea of "taking grain as the key link," some leading comrades in a small number of localities have relaxed their guidance on grain production while enthusiastically unfolding diversified management. They have failed to seriously study the new situation emerging in grain production and management. They lack enthusiasm and have not implemented measures to help the peasants solve all kinds of practical problems, which makes the peasants engaged in planting feel neglected. The more important point is that there has been a price rise for the means of production and a rise in production costs in agriculture, which have resulted in a decrease in enthusiasm for agricultural production. In some localities, farming has not been conducted with care, and water conservancy facilities have not been promptly repaired, which has resulted in a drop in the per-unit area output. These unstable factors in the steady development of grain production have caught the attention of all.

However, simply blaming the cadres, as was done in criticizing the "giving of priority of sideline occupations rather than agriculture," and only issuing general calls for attaching importance to grain production are often not effective. Sometimes, the opposite of what is wished may occur. This is because many cadres are not mentally prepared for the historical change of reforming the system of the state's monopoly over the purchase of agricultural and sideline products. They lack a profound understanding of the importance of educating the peasants about meeting the market demand and adopting to the new situation in developing grain production. At the same time, they find it quite easy to do the job by following the conventional practice of relying too heavily on administrative means, grasping grain production as its stands, and "issuing indexes to grass-roots units and pressing them to fulfill them." All this is based on the old mechanism of the "state's monopoly over purchases and marketing." If they are not helped to gain a clear understanding of the new situation, tasks, and methods in grain production, stressing onesidedly the importance of grain production, and if they are under the pressure of fulfilling the "tasks", it will be very easy for them to turn back to the old system and restore the old practices that used to be adopted by the "grain secretary."

In order to establish a new concept of grain production, it is primarily necessary to correctly understand the grain production situation. In recent years, China has reaped successive bumper harvests. Despite serious natural calamities in 1985, the gross output of grain is still the third highest so far. The successive bumper harvests in recent years are not bestowed by nature, but are one of the fruits of the economic reform in the rural areas and the result of bringing into play the production conditions accumulated through the years.

This shows the actual standard of China's grain production. The continuous growth of grain production has resulted in the current relations between demand and supply. Both the calculations of research departments concerned and practice have proved that China has concluded its situation of a long-term shortage in grain supply and has realized a basic balance in the demand and supply of grain throughout the country since 1983. This basic change is the chief characteristic of the new situation in grain production, and the basic starting point for renewing all kinds of old concepts in grain production.

The change from a long-term short supply to a basic balance between demand and supply of grain has created a good basis for conducting in-depth economic reform. Since the beginning of 1985, the state has decided to reform the system of the state's monopoly over purchases and marketing that has existed for years, to further expand market regulation, and to implement the system of contract purchasing for such major farm produce as grain. These important reforms have changed the traditional concept that grain can only be managed under the state's monopoly, and the commodity nature of grain has been restored. The peasants are beginning to change the usual practice of farming based on mandatory plans and selling their grain based on stipulated quotas. Now they have the initiative in their own hands in regard to farming, and they can base their production market demands, and sell grain as a commodity according to contracts or directly on the market.

Cadres at all levels in the rural areas should get rid of the old concepts, accept new concepts such as market mechanism, and help the peasants fulfill the change from planting "grain according to quotas" to "commodity grain." With such changes, the leadership method must also be changed. It is necessary to take market factors into full consideration in drawing up plans. In fulfilling a plan, we should not rely solely on administrative means, resorting to the old practice of urging the peasants to plant and to harvest on schedule and to fulfill the state purchase quotas. As grain production is commodity production, it must follow the objective laws governing the commodity economy. Attention must be paid to bringing into play the role of market regulation, with economic means chiefly used to bring into play the enthusiasm of the peasants for grain production. Apart from certain price incentives, many other measures can be adopted, such as preference in supplying the means of production, providing complete services, and preferential supply of industrial goods, in order to prevent the grain farmers from diminishing their enthusiasm, to readjust the economic interests among all trades in the rural areas, and to promote the steady development of grain production.

Grain is important, but by no means should we think that the more grain there is, the better. The more grain, the better was an old concept that took shape in the period when grain was in short supply. With the change in the relationship between demand and supply, we should acquire a new understanding. Today, in regard to the nation as a whole, the problem of having enough to eat and wear has basically been solved. The shortage of grain in the overall has changed into a matter of the problem for localities of surplus or shortage and of varieties. Under such circumstances, if the more grain, the better is generally stressed when drawing up plans for grain production and purchase contracts, with no differentiation between localities regardless of the actual situation, it will only cause greater difficulties for some localities in selling their grain. This has already occurred because of the limitations in the conditions for processing, storage capacity, transportation, and funds. The result could be that the ecological conditions of some areas that should quit farming and return to forestry or animal husbandry will not be promptly improved, and the trend of some localities blindly producing low quality grain regardless of the market demands will be very difficult to overcome. The volume of grain production should be conducted based on the varied conditions of different localities, the qualities of different varieties, and social demand. Those localities that have advantages in grain production should encourage the use of scientific methods and the full use of limited farmland.

They should work hard to raise the employment rate and economic results of the land and provide the market with good quality and varieties of commodity grain. Those localities not suited for grain production should gradually quit farming and return to forestry and animal husbandry. Other localities that are more suited to growing crops with high economic results may reduce grain production in a planned way based on the relative situation. Of course, such a reduction in grain production is not to be carried out blindly. The restrictive factors such as transportation, financial resources, and grain resources should be taken into full consideration. As to the varieties of grain, the price lever should be used to stimulate the peasants to produce more good quality rice, wheat, and marketable food grains other than rice and wheat, and to reduce the output of low quality grain. Only then will it be possible to form a rational production mix, to promote the harmonious development of the production of grain and economic crops, to develop good quality grain production, and to meet the every-growing consumption needs of both the urban and rural population. The over-emphasis on the annual change in the output of grain is a particular idea taking shape among people regarding the long-term low production level and the shortage in grain supply. The reduction in output due to serious natural calamities is a particular concern. People recall with fear the difficult situation during the 3 years of extremely great natural calamities. We must clarify the situation and help people to correctly understand and exchange information about grain production. On the one hand, China's grain production is still greatly restricted by natural conditions and annual fluctuation resulting from a bumper harvest or a drop in output is unavoidable; on the other hand, China's gross grain output in 1984 was 800 billion jin, which is a figure that really shows the developing level of the productive forces. It is by no means an accidental figure. From now on, so long as the policy is stable and no big mistakes emerge in our work, a decline in grain output by a large margin is not likely to take place. This is because our rural economy now has a new economic mechanism full of vitality, and we now have a capability of producing 800 billion jin of grain. This production capability is basically suited to China's social consumption level of grain at present and in the near future. Storage facilities can be increased in a bumper harvest year. If a decline in output takes place because of natural calamities, supply will not be affected because of a comparatively ample stock.

However, how to maintain the good trend in the development of grain production, the situation of the varieties and quality of grain regarding the ever-growing development of the national economy, and how to make further progress are extremely arduous tasks for us and we should by no means be careless about them. The new situation in grain production has pressed us to gain a clear understanding of the new concepts on grain production, to explore and to create new methods of grain production, to continuously increase investment in agriculture, to improve production conditions, and to genuinely attach importance to grain production.

PLA COMPLETES REORGANIZATION OF COMMAND SYSTEM

OW311204 Beijing XINHUA Domestic Service in Chinese 0933 GMT 31 Dec 85

[Text] Beijing, 31 Dec (XINHUA) -- According to JIEFANGJUN BAO, the People's Liberation Army has successfully completed reorganizing its field army [ye zhan jun 6851 2069 6511] into group army [ji tuan jun 7162 0957 6511], and all projects are proceeding according to the new command system.

This was disclosed by He Qizong, the PLA deputy chief of General Staff, during an interview with reporters. According to him, the organization of group army was a decision made by the Central Military Commission 3 years ago. The Chinese ground force, after being developed from a unitary arm of services into an army with multiple arms of services, has now been developed again into a group army comprised of various arms of service.

This is a major success the Chinese Army has accomplished in restructuring its organization, indicating that the modernization of the Chinese Army has entered a new stage. Now, with better weaponry and more effective combination, the field army-turned group army has become more responsive; and as the Army has become more rationally structured, it has become more effective in keeping up with the needs in future anti-aggression wars.

He Qizong pointed out: As the bond among various arms of services has become stronger and training has become more exacting, officers must be more competent in order to give full scope to the Army's overall power and make the centralized command more effective. On the other hand, the Army is confronted with a series of new problems in doing its political and ideological work and in providing logistics support. Meanwhile, various units are exploring means to deal with these problems in the course of doing their work.

ARMY HOSPITALS OPEN TO CIVILIANS; USE INCREASES

OW290734 Beijing XINHUA in English 0640 GMT 29 Dec 85

[Text] Beijing, December 29 (XINHUA) -- All of China's Army hospitals are open to civilians now, according to the newspaper, HEALTH NEWS. The State Council and the Central Military Commission ordered the step earlier this year.

In the past few months, civilians have accounted for about 50 percent of patients treated in Army hospitals. Some hospitals have increased the number of beds to accommodate the extra number of patients.

When the Army hospitals were off-limits to civilians they had not enough patients and treated few serious illnesses, the paper reported.

HEALTH NEWS commented that this new move has helped relieve the strain on civilian hospitals and prompted doctors to raise their level of skill. Army hospitals have also cooperated with civil hospitals in some difficult cases.

COMMENTATOR URGES GREATER EFFORTS FROM WRITERS

HK310156 Beijing RENMIN RIBAO in Chinese 23 Dec 85 p 7

[Commentator's article: "Calling to the Epic of Our Time"]

[Text] The three novels -- Li Zhun's "The Huanghe Runs Eastward," Zhang Jie's "Heavy Wings," and Liu Xinwu's "The Bell and Drum Tower" -- won the second "Mao Dun Literature Prize" which was awarded by the Chinese Writers Association. This is a joyous event in the literature circles of our country. We heartily extend congratulations to the three writers who won the prize and to all the comrades in the literature circles.

In the past 8 or 9 years, national and local literature awards were given every year. Many short stories, novelettes, reportages, and poems have won awards on various occasions. However, the most noteworthy event has been the awarding of prizes for novels. The reason is not only that the prize for novels contains an honorable title named after our literary master Mao Dun and confers a larger sum of money than other literature awards, but mainly lies in the fact that the literary form of the novel has always held a special and important position in the history of modern literature. In a certain sense, the achievements in novels are the major demonstration of our country's achievements in literature.

Belinsky described novels as the "epics of our times" and said that the form of the novel can more accurately and poetically reflect life, because the novel has an unlimited capacity to embrace all life and has a profound meaning and boundless poetic flavor. Belinsky used these words to highly value the aesthetic standards of the novel. In fact, since the novel appeared as a literary form, it has always represented the literary achievement of a country in a certain historical period. In the 17 years since the founding of the PRC to the beginning of the "Cultural Revolution," our socialist literature developed to a remarkable or even unprecedented degree in all aspects. But when people talk about the literary achievements of that period, they always proudly mention the famous novels of that period, such as "Annals of the Red Flag," "Red Sun," "Red Crag," "The History of Pioneering a Great Cause," "The Song of Youth," "The Huge Changes in the Mountainous Village," "Defend Yanan," and "The Snowy Forests." With the lapse of time and the changes in the ways of the world, people's comments on these novels may be somewhat different from those in that period, but they indeed held a brilliant position in our literature and enjoyed a widespread, good reputation among the readers. In the period after the downfall of the "gang of four," short stories and novelettes in our country held an outstanding position in literature and the creation of novels seemed to lag behind. Then, many writers who had a desire to write novels roused themselves to catch up. In recent years, marked progress has been made in the creation of novels. The six novels which won the first "Mao Dun Literature Prize" enjoyed favorable comments from the readers. This time, the third prizewinning novels were selected from hundreds of novels published in recent years, so they are of rather high ideological and artistic quality. These novels not only can help us review the social life they describe, but can also give us a great enjoyment of art. The writers of these successful novels deserve the awards given to them by the people. However, we should also notice that our literary creation, including novel creation, has not yet measured up to the requirements of the times and the people in terms of ideological and artistic quality. People are now ardently eager to see the birth of a landmark epic of our times. Our writers will have to make still further efforts.

We are currently in a great era of creating miracles. The historical process, which is marked by the implementation of the policy of "opening up to the outside world and enlivening the domestic economy" and by the all-round reforms of the economic structure, has been imbuing the whole society with creative vitality. The people's enthusiasm for the four modernizations has been fully aroused, and many miracles and heroic figures have emerged before us. No promising writer will be untouched when faced with this age of heroes. Instead, all promising writers have plunged or are taking actions to plunge into the great cause of the four modernizations and have integrated themselves with the ordinary people who are creating miracles. They share the same fate and breathe the same air with the people and share the feelings of the public. This gives them the richest sources of nourishment for literary creation and gives them poetic inspiration for creation. At the same time, many writers now dare to break the closed situation in artistic creation and dare to absorb various techniques of literary expression to enrich the power of expression in their works. All this has vigorously promoted innovation in our literature in the course of opening up. The times call for the flourishing of our literature. We believe that through the efforts of our writers and artists, we will certainly have the great epic of our times."

CENTRAL LEADERS UNVEIL 'DECEMBER 9th' MONUMENTS

SK231031 Beijing BEIJING RIBAO in Chinese 10 Dec 85 p 1

[Excerpts] A pavilion in commemoration of the "December 9th" Movement in Yingtaogou, Xiang Shan was completed on 9 December. A ceremony was held on the occasion.

Attending were more than 60 veteran comrades who took part in the "December 9th" Movement, including Deng Liqun, member of the Secretariat of the CPC Central Committee, and Han Tianshi, secretary of the Central Discipline Inspection Commission; responsible comrades of the Beijing Municipal CPC Committee and government; and more than 200 college students.

Comrades Deng Liqun, Liu Daosheng, Yuan Baohua, and Li Ximing unveiled the monuments. Three white tent-shaped monuments appeared in the pine forest where there was military summer camp during the "December 9th" Movement period.

Comrade Deng Liqun spoke at the ceremony. He said: Today, I recall the old comrades-in-arms who fought with us and fell one by one. Thousands of the old comrades participating in the "December 9th" Movement gave all they had for the nation and the country. We should forever cherish their memory and be grateful to them. Although we are more than 70 years old, we will still fight continuously. Young people, you are at the same age we were 50 years ago. We hope that after 50 years you will still live up to your pledges of today and feel no qualms upon self-examination.

WANG ZHEN AT HANDICRAFT GALLERY CONSTRUCTION SITE

OW251132 Beijing XINHUA in English 1040 GMT 25 Dec 85

[Text] Beijing, December 25 (XINHUA) -- Construction of a handicrafts gallery has begun in Beijing today.

The gallery, the first of its kind in China, will be used to house arts and crafts produced in China and other countries.

Located at Fuxingmen, west of the city center, it is designed to have a floor space of 43,000 square meters, which will be divided among a shopping center, exhibition halls and halls for displaying rare objects produced by both China and other countries.

Vice-Chairman of the Chinese Communist Party Central Advisory Commission Wang Zhen, Light Industry Minister Yang Bo, and Vice Mayor of Beijing Zhang Baifa were present at the foundation stone laying ceremony.

CHEN PIXIAN WRITES INSCRIPTION FOR MEDIATION WORK

OW270851 Beijing XINHUA Domestic Service in Chinese 1226 GMT 26 Dec 85

[Excerpts] Beijing, 26 Dec (XINHUA) -- A network of people's mediation groups is gradually taking shape in urban and rural areas and in factories and mines throughout the country. According to statistics, mediation organizations have been established in 97 percent of the country's neighborhood committees and people's committees. There are about 4.5 million mediators in the country.

The Ministry of Justice today held in Beijing the second national conference on people's mediation work to sum up experience in developing mediation work and to commend advanced collectives and individuals. The conference put forward the tasks and requirements for people's mediation work in the new period.

Comrade Chen Pixian wrote an inscription for the conference: "People's mediation work is a great invention in our country's public security, procuratorate, and judiciary work, and an important force promoting the building of socialist spiritual civilization; therefore, we must further strengthen and develop this work."

A gratifying change has reportedly taken place in the composition of members of mediation organizations in recent years. According to statistics, the existing 4.5 million mediators have attended at least 2 training sessions. The development of people's mediation work in our country has played an important role in preventing civil disputes from turning violent. From 1981 to June this year, people's mediation organizations in various localities mediated more than 32 million civil cases, thus averting a great number of abnormal deaths that could have been caused by civil disputes turning violent.

With the development of the drive to restructure the rural economy, China's mediation organizations have expanded their work to include mediating disputes involving simple production contracts and economic rights and interests.

More than 490 advanced mediation committees and advanced mediators will be commended at the conference.

LI PENG ATTENDS PARTY FOR FOREIGN STUDENTS

OW271949 Beijing XINHUA in English 1858 GMT 27 Dec 85

[Text] Beijing, December 27 (XINHUA) -- Foreign students from 105 countries, who are studying here, joined Chinese students and teachers at a New Years party tonight.

Li Peng, vice-premier and minister in charge of the State Education Commission, joined 3,000 students and teachers as well as foreign diplomats at the party held at the Beijing Exhibition Center.

He Dongchang, vice-minister of the State Education Commission, who addressed the party, called the foreign students ambassadors of goodwill. He proposed a toast to the friendship between the Chinese and foreign peoples.

The party was jointly organized by the State Education Commission and Beijing Municipal Government. Also present tonight were Beijing Mayor Chen Xitong and Song Defu, first secretary of the Central Committee of the Chinese Communist Youth League. A performance was given by the Oriental Song and Dance Ensemble.

CHEN MUHUA CONDUCTS HAINAN ISLAND INSPECTION

HK280247 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 27 Dec 85

[Text] According to NANFANG RIBAO, Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee, state councillor, and director of the People's Bank of China, inspected and provided guidance for work in Hainan Island from 18 to 23 December. Chen Muhua pointed out when receiving responsible persons of the regional CPC Committee, government, People's Congress, and CPPCC preparatory group: Since instituting its special policies, Hainan has made great progress in work in all fields. The cadres and masses of Hainan Island are hard-working and able. As long as everyone seriously implements the central principles and policies, straightens out the guiding idea, proceeds from Hainan reality, sets up an economic structure with its own characteristics, and works in a thoroughly sound way, there will be fine prospects for Hainan's development and construction and the outlook is very bright.

PENG ZHEN INSPECTS JIANGSU'S CHANGZHOU CITY

OW290049 Beijing XINHUA Domestic Service in Chinese 1155 GMT 28 Dec 85

[By reporters Li Shangzhi and Mou Weixu]

[Text] Nanjing, 28 Dec (XINHUA) -- Recently, on a work inspection tour of Changzhou City, Jiangsu Province, Peng Zhen, member of the political Bureau of the CPC Central Committee and chairman of the NPC Standing Committee, pointed out: The results of Changzhou's economic structural reform indicates that without it, its production could not develop as fast. All comrades are requested to foster a firm confidence in reform, constantly sum up experience, and advance in a pioneering spirit to achieve still better results in carrying out the work of reform.

A city approved by the State Council in 1982 to conduct experimental economic structural reform, Changzhou has put into effect a host of reform measures in the past few years to enliven enterprises in the city. This has promoted the development of production and resulted in the improvement of the people's living standards. From 24 to 26 December in this city, Peng Zhen was briefed by Han Peixin, secretary of the Jiangsu Provincial CPC Committee; Chu Jiang, chairman of the provincial People's Congress Standing Committee; and leading comrades of Changzhou City. During this period, he also went to the Changzhou diesel engine plant, the No 1 state-owned cotton mill, the general knitwear factory, the general camera factory, the Qishuyan locomotive and rolling stock plant of the Ministry of Railways, and a new residential area to call on the workers doing production work and to visit some residents' families.

Peng Zhen expressed satisfaction with Changzhou City's reform work in various fields. He encouraged the cadres to orient their work to the needs of production and the masses and step up ideological and political work in the course of reform. He wrote an inscription for the Changzhou diesel engine plant, reading: "Make innovations without cease and always rank with the advanced." Another inscription he wrote for the Changzhou general knitwear factory reads: "Be oriented toward the world and the people of all nationalities in the country."

PARTY, STATE LEADERS MEET TIBETAN DELEGATION

OW282025 Beijing XINHUA in English 1943 GMT 28 Dec 85

[Text] Beijing, December 28 (XINHUA) -- Communist Party and state leaders, including Hu Qili, Xi Zhongxun, Tian Jiyun and Bainqen Erdini Qoigy Qyaincain, today met a delegation of Tibetan leaders.

On behalf of the party Central Committee and the State Council, Xi Zhongxun extended a warm welcome to the delegation, and wished a happy new year to all Tibetan people, including Dalai Lama who is residing abroad. He said the development of Tibet depended on co-operation between Han, Tibetan and other ethnic groups in Tibet, on local cadres and on policies designed to meet the region's specific needs. "Tibet, covering a vast area and with abundant resources, will certainly be able to build itself into a prosperous region, as long as correct policies are applied and the people work together," he added.

The delegation is headed by Zheng Ying, vice-chairman of the Tibetan People's Political Consultative Conference. Among 40 members are representatives of the conferences at various local levels, (religious) and government offices.

Present at the meeting were Yang Jingren, vice-chairman of the Chinese People's Political Consultative Conference, and officials of central party and state offices.

The delegation left Lhasa on November 15, and arrived in Beijing on Thursday after touring Sichuan, Guangdong, Guangxi and Tianjin.

CHEN PIXIAN ATTENDS SONG AWARDS CEREMONY

OW290845 Brijing XINHUA Domestic Service in Chinese 1438 GMT 28 Dec 85

[By reporter Sun Xianoming]

[Excerpts] Beijing, 28 Dec (XINHUA) -- "The Moon on the 15th," a folk song with a beautiful melody depicting the love between a border soldier and his wife back home, along with 29 other songs, were selected today as the most popular songs among young people.

The activity to select the most popular songs among youths today was organized by the Ministry of Culture, the Ministry of Radio and Television, the PLA General Political Department, the Chinese Musicians Association, and the CYL Central Committee. An award meeting was held at the Great Hall of the People this morning.

Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, attended and addressed the award ceremony. He **said**: While giving us artistic entertainment, a good song can also mold our temperament, heighten our spirit, and give us strength to make progress. The effect of songs on young people is especially notable.

Our composers writers, and singers, as well as personnel doing youth work, should consciously and actively introduce good songs to young people to enrich their spiritual life, raise their ability to appreciate art, enhance their ideological level, and inspire them to cherish life, love the people, the motherland, and the party, and dedicate themselves to the country's modernization.

In his speech, Chen Pixian expressed the hope that literary and art workers vigorously immerse themselves in real life and reflect the spirit and outlook of the times with vigor and ardor. He urged them to create more and better works to make our literature and art flourish, to enrich the people's cultural life, and to build a socialist material and spiritual civilization.

Yang Jingren, vice chairman of the CPPCC National Committee, and responsible persons of departments concerned, including Zhu Houze, Ai Zhisheng, Zhou Weizhi, Song Defu, Zhou Wenyan, Liu Yandong, and Li Huan, attended the ceremony and presented awards to the winners.

FOREIGN MINISTER WU XUEQIAN RETURNS FROM MIDEAST

OW281148 Beijing XINHUA in English 1133 GMT 28 Dec 85

[Text] Beijing, December 28 (XINHUA) -- Chinese State Councillor and Foreign Minister Wu Xueqian returned here this afternoon after a goodwill tour of Iraq, Jordan, Syria, Egypt, the United Arab Emirates and Bangladesh.

QIAO SHI PRESENTS AWARDS TO JUDICIAL WORKERS

OW310127 Beijing XINHUA Domestic Service in Chinese 0821 GMT 30 Dec 85

[By reporter Sun Yong]

[Excerpts] Beijing, 30 Dec (XINHUA) -- At the meeting to commend advanced workers and collectives in China's judicial departments, which concluded today, the representatives of 83 advanced collectives and 371 advanced workers who represent some 400,000 judicial cadres and policemen in the whole country were awarded honorable titles.

Qiao Shi, member of the Political Bureau and Secretariat of the CPC Central Committee; Liu Fuzhi, deputy secretary of the Central Commission of Political Science and Law; Zou Yu, minister of justice; and the responsible persons of the departments concerned, awarded citations and banners to Huang Yu, party committee secretary and director of Shanghai's Huadong electric welding machine plant, who was given the title of top grade model worker; 9 advanced workers who were given the title of second grade model workers, including Deng Jincheng, director of the Xiong County Judicial Bureau in Hebei Province; and the representatives of the 13 units including the Shanxi provincial prison No 2, which won the Collective Order of Merit, First Class.

Also commended today were more than 490 advanced mediators and representatives of advanced mediation committees.

Zou Yu delivered a speech at the award meeting. He called on all the cadres and policemen in the judicial departments to dedicate themselves to promoting socialist democracy and the legal system, to wholeheartedly serve the people, to continuously forge ahead without feeling satisfied at all times, to courageously overcome their difficulties and work hard, and to carry out various activities to vie with one another to become pacesetters and do a still better job so as to fill the contingent of judicial cadres and policemen with even greater vitality.

The second national people's meeting on mediation work also ended today.

JILIN HOLDS CPC COMMITTEE WORK CONFERENCE

SK281206 Changchun Jilin Provincial Service in Mandarin 2200 GMT 27 Dec 85

[Text] The provincial CPC Committee held a work conference from 25 to 27 December to sum up the work of 1985 and map out the tasks for 1986. It pointed out that the general demands with regard to next year's work should be to continue to implement the guidelines of the National Conference of Party Delegates; to place reform above everything else; to thoroughly carry out reform of the economic structure focusing on invigorating large- and medium-sized enterprises, commodity circulation, and the economy of counties and townships; to enable the national economy to maintain a proper growth rate on the premise of achieving better economic results; to increase the industrial and agricultural output value by 8 percent; to increase the industrial output value by more than (?7) percent; to increase the agricultural output value by 6 percent; to enable grain output to increase and exceed 30 billion jin; to enable industry to achieve new growth while maintaining sustained, stable, and coordinated development; to conscientiously seek to improve the peoples' standard of living; to attach importance to and strengthen the building of socialist spiritual civilization; to carry out party rectification successfully; to conscientiously pay attention to the ideological and political work focusing on education on communist ideas; to promote further improvement in party style and social conduct; and to consolidate and develop the political situation of stability and unity.

Gao Di, secretary of the provincial CPC Committee, spoke at the conference. Wang Xianjin, deputy secretary of the provincial CPC Committee, gave a speech to sum up the conference. Attending were more than 20 persons, including Gao Dezhan and Wang Zhongyu, deputy secretaries of the provincial CPC Committee; Wang Daren, Standing Committee member of the provincial CPC Committee and chairman of the provincial Advisory Commission; Zhao Xiu, chairman of the provincial People's Congress Standing Committee; Liu Jingzhi, chairman of the provincial CPPCC Committee; (Li Demin), secretary of the provincial Discipline Inspection Commission; Standing Committee members of the provincial Advisory Commission; vice chairmen of the provincial People's Congress Standing Committee; members of the leading party group of the provincial government; vice chairmen of the provincial CPPCC Committee; deputy secretaries of the provincial Discipline Inspection Commission; CPC Committee secretaries of various cities, prefectures, autonomous prefectures, counties, and city districts; and principal responsible comrades of various provincial departments, committees, offices, and bureaus, and various people's organizations.

Gao Dezhan, deputy secretary of the provincial CPC Committee, attended, and Gao Di, secretary of the provincial CPC Committee, spoke at the conference.

The conference noted: The year 1985 is the last year of the Sixth 5-Year Plan period. Our province's work in fulfilling the Sixth 5-Year Plan has been good. The national economy has developed in a sustained and stable manner; the proportion between agriculture and light and heavy industries and between savings and consumption has become more balanced; the targets for industrial and agricultural output value and national income as set forth in the Sixth 5-Year Plan were prefulfilled by 2 years, and the target for grain output to be fulfilled by the end of the century according to the original plan was fulfilled in 1984. This year, the province continues to maintain a positive development in economic construction. In agriculture, our province [words indistinct] suffered a most serious disaster. With the kind concern of the CPC Central Committee and the State Council and the great support of the PLA, and through the arduous struggles of the cadres and people, the damage caused by the natural disaster has been greatly alleviated. Grain output is estimated to be the third highest since the founding of the country.

Agricultural output value will be equivalent to that of last year. Quantitatively, the figures for construction of farmland irrigation facilities completed this year and the acreage of farmland plowed this autumn was the highest registered in recent years. Industrial production has developed in a sustained, stable, and coordinated manner. Output value, profits and taxes, and revenue have grown simultaneously, and the increase in economic returns has been larger than that of output value. The industrial output value of the province is expected to reach 27.4 billion yuan, a 14.3-percent increase over last year, and taxes and profits turned over to the state by budgetary industrial enterprises will increase by approximately 26 percent. Urban and rural markets have enjoyed brisk sales. The total volume of commodity retail sales is expected to register a 16 percent increase over last year, and that of exports a 58 percent increase. Revenue has increased substantially, and a balance between revenue and expenditure has been achieved, with a small surplus.

The building of socialist spiritual civilization has been strengthened. Since the National Conference of Party Delegates, in particular, we have conducted specific education on the current situation and policies while studying and implementing the guidelines of the conference. We have also conducted extensive education on ideals and discipline while learning from and publicizing the PLA heroes and models, and other advanced persons. New changes have taken place in the mental outlook of cadres and the masses. This year, units at the prefectural and county levels throughout the province have carried out party rectification focusing on the key work of strengthening party spirit and correcting party style, and achieved better results than those achieved by higher levels.

While fully affirming the achievements already scored, the conference stressed the need to estimate the problems that still exist and the difficulties we face. It noted: The year 1985 was not a smooth year. It was a year with serious disasters and quite a few difficulties. We have scored achievements in this year's work. However, much effort has been exerted in economic work and less in ideological and political work. When carrying out current work, we have failed to pay sufficient attention to long-term plans and construction, and to conduct sufficient investigations and study at grass-roots units and give specific guidance. We should correct this in the new year. Success in next year's work is of great importance in fulfilling the Seventh 5-Year Plan and revitalizing Jilin.

(?First), we should improve economic results and enable the national economy to develop in a sustained, stable, and coordinated manner. We should further foster the idea of taking agriculture as the foundation, and conscientiously implement the principle of never slackening grain production while vigorously developing diverse undertakings. Leading comrades of the CPC Central Committee and the State Council have paid great attention to the agricultural production of our province. They urged our province to restore the level achieved prior to the disaster, and to avoid suffering again such great damage as that sustained this year even if we encounter again a natural disaster as serious as that which occurred this year. In industrial production, we should maintain a realistic growth rate on the premise of improving economic results, exporting more and earning more foreign exchange, improving operation and management, and increasing our strength, and continue to increase output value, taxes and profits, and revenue simultaneously.

Second, we should conduct a thorough reform of the economic structure with the focus on invigorating large and medium-sized enterprises, commodity circulation, and the economy of counties, districts, townships, and towns. Large- and medium-sized enterprises are the [words indistinct] of the economy of our province. However, only a small number of them have been truly invigorated.

Circulation and transportation are important factors restricting the development of commodity production, and are the lifeline linking the urban and rural economy. [words indistinct] In particular, the development of transportation in our province lags far behind the development of commodity production. This is a weak link. Next year we should achieve breakthroughs in reforms in these few areas. We should continue to simplify administration and delegate power to lower levels so that enterprises and counties and townships will have greater decision-making power. Enterprises should also make their basic accounting units as small as possible, and enforce the economic contract responsibility system to enable their branches, workshops, work shifts [words indistinct]. They should expand lateral economic contacts; do a good job in economic and technological cooperation; further develop multilevel, multiform, and multichannel economic associations; and actively open to other units, other localities, and even foreign countries. We should actively encourage urban industrial and commercial enterprises to expand to rural areas, and encourage counties, townships, and peasants to develop tertiary industry in cities.

Third, we should actively create favorable conditions for improving the people's living standards. On the basis of developed production, we should continuously improve the people's living standards. This is the purpose of socialist production, and also an important guiding ideology for the work of CPC committees and governments at all levels. CPC committees and governments at all levels should pay attention to both production and the people's lives, and consider their attention to both production and the people's lives as an act showing their responsibility to the state and the people. At present, they should pay particular attention to correcting the tendency of neglecting the people's lives. They should, first of all, maintain the basic stability of overall commodity prices. Urban housing is a very conspicuous problem. They should vigorously collect funds to solve this problem step by step. They should cut administrative spending. The province and various cities and counties should all strive to allocate some funds to solve the housing problems for high- and middle-grade intellectuals. Wage reform should be carried out conscientiously. Personnel should be organized to investigate and analyze the enterprises with small profits or deficits one by one, and adopt corresponding policies and measures on the basis of their different situations to tap potential and rouse the enthusiasm of enterprises so that they can end the situation of incurring deficits and, instead, increase profits, and provide favorable conditions for wage reform. In rural areas, we should continue to provide disaster relief and support the poor.

Fourth, we should strengthen the building of socialist spiritual civilization and ideological and political work, and fully accomplish the party rectification tasks. The major tasks for ideological and political work at present are to thoroughly study and implement the guidelines of the National Conference of Party Delegates; to conduct, among the masses, in-depth education on the current situation and policies, on ideals and discipline, on upholding the four basic principles, and on legal knowledge; and to guide cadres and the people to understand the situation comprehensively and correctly, unify their thinking, enhance their confidence, carry out reform unswervingly, promote economic construction, voluntarily resist bourgeois liberalism, bourgeois ideas of various descriptions, and the corrosive influence of residual feudal ideas, resist and oppose various unhealthy trends, understand and abide by the law, and consolidate and develop the political situation of stability and unity. We should attach great importance to and strengthen educational work; show concern for, train, and improve the level of teachers; develop vocational education; and solve the problem of the two-shift system in some primary and middle schools.

All schools should give priority to moral education and improve teaching quality in an all-round manner. Institutes of higher learning should strengthen ideological and political work, and strive to make a success of [words indistinct].

Culture, art, films, television, the press, publications, and sports departments should take social results as the only criterion for all their activities, and produce more good intellectual products. They must not commercialize intellectual products. We should strengthen control over cultural markets, and resolutely stop the production, import, and publication of bad products. We should give full play to the role of such mass organizations as trade unions, CYL committees, and women's federations as well as militia organizations in building the two civilizations. Effective measures should be adopted continuously to tackle public security problems in a comprehensive and intensive manner. We should never vacillate in dealing strict blows to economic and other criminal activities. We should sternly investigate and handle various serious violations of law and discipline, corruption, and ugly phenomena, and promote a remarkable improvement in social conduct. Party style should be attended to by the entire party, by CPC committees, and by the top leaders of CPC committees. Through the concerted efforts of the entire party, we should strive to achieve a remarkable improvement in party style next year. As an important step to improve party style, party rectification should be carried out conscientiously.

The conference pointed out emphatically that the key to successfully carrying out next year's work lies in improving the levels of leading persons, and in conscientiously improving their ideology and work style.

CHANGCHUN CITY TRIAL SENTENCES ECONOMIC CRIMINALS

SK270256 Changchun Jilin Provincial Service in Mandarin 2200 GMT 25 Dec 85

[Text] At an open trial to strictly deal blows to economic crimes which was held in Changchun City on 25 December, the Changchun City Intermediate People's Court sentenced (Zhang Zhongchen) and 19 other criminals in accordance with the law.

(Zhang Zhongcheng), who was guilty of corruption, was a purchasing agent of the Changchun pharmaceutical plant before his arrest. Over the past few years he embezzled more than 28,000 renminbi and accepted some 1,300 yuan in bribes through fraud, substituting defective products for good ones, and making false receipts and bills. He was sentenced to death.

Criminals (Liu Cheng) and (Wang Jiazhong) were chairman and vice chairman of (Kalun) grain depot in Jiutai County before they were arrested. While they were in office (Liu Cheng) and (Wang Jiazhong) were extremely irresponsible. They did not find ways to store grain when the grain depot was full, thus causing some 197,000 jin of grain to mildew and rot due to rain. After the mishap (Liu Cheng) and (Wang Jiazhong) neither reported the case to the higher level nor vigorously adopted measures to rescue the grain. They secretly buried more than 61,000 jin of rotten grain, bringing great losses to the state. (Liu Cheng) and (Wang Jiazhong) were sentenced to 2 to 3 years imprisonment. (Liu Qingming), deputy director of the Jiutai County Grain Bureau, who was involved in the case, and (Ji Gongyuan), party branch secretary of (Kalun) grain depot, were punished by dismissal from their posts inside and outside the party and expulsion from the party.

LIAONING PUBLICATION MARKS BAISE UPRISING

OW231307 Beijing Domestic Service in Mandarin 0900 GMT 13 Dec 85

[Summary] -- On the eve of the 56th anniversary of the Baise uprising, the Liaoning People's Publishing House recently published "Baise Fengbao" [Storms in Baise], written by Comrade Mo Wenhua and prefaced by Comrade Hu Yaobang.

The Baise uprising was initiated and led by Comrades Deng Xiaoping, Zhang Yunyi, and other representatives of the CPC Central Committee in Guangxi on 11 December 1929. On 1 February the following year, Comrade Deng Xiaoping and others initiated and led the Longzhou uprising. The two uprisings provided extremely valuable experience for our party in launching armed struggles and establishing revolutionary base areas in minority areas.

LIAONING REPORTS MAJOR ACHIEVEMENTS IN 1985

SK300453 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 28 Dec 85

[Text] A relevant provincial department recently published the 14 major achievements of our province in building the two civilizations in 1985. They are:

1. The provincial CPC Committee held its sixth congress to elect a new provincial CPC Committee, provincial Advisory Commission, and provincial Discipline Inspection Commission, realized the succession of the old cadres by the new and the cooperation between them, and defined the fighting goals, major principles, and basic tasks for working hard for the prosperity of the country, revitalizing Liaoning, serving the entire country, and opening up to the outside world during the Seventh 5-Year Plan period.
2. Armymen and civilians throughout the province exerted concerted efforts to overcome the natural disasters such as typhoons and floods, rarely seen in history, and still achieved an all-time record in the total production of rural areas in a year heavily stricken by disasters.
3. The industrial and agricultural output value of the province is expected to reach 78 billion yuan, an increase of 10.5 percent over 1984 which itself saw a new record. The growth of the income from sales of local budgetary industrial enterprises and the growth of their profits and taxes were both greater than that of their output value. The revenue plan was fulfilled ahead of schedule in an all-round manner.
4. The seven large- and medium-sized key construction projects and single-item projects that the state had assigned our province to fulfill in 1985 were all completed. Two of them were completed and put into operation ahead of schedule. The Liaohe oil field increased its crude oil production capacity by 1.24 million tons.
5. New development was achieved in economic and technological exchanges with foreign countries. The total foreign capital and technology import showed an increase of 40.9 percent over 1984 which registered an all-time record. Economic and technical cooperative relations established with 27 provinces, municipalities, and autonomous regions were changed from single-item, temporary cooperation into long-term, stable cooperation.
6. An urban economic and technical cooperation association with Shenyang, Dalian, and Jinzhou Cities was established. Enterprise groups led by the enterprises which produce first products were increased to 108, thus an initial form of a multilayer economic network opened to all directions was established.
7. Road construction and infrastructure for seven supplies in the Dalian economic and technological development zone progressed fairly rapidly. A total of 14 contracts on joint ventures, cooperation, and imports were signed, of which 13 have already started to be implemented. The State Council approved the construction of (Dadong) and Jinzhou harbors, and approved Yingkou City to implement some of the policies enjoyed by the 14 coastal open cities.

8. The year 1985 saw the largest-scale technical transformation to date. Investment in technical transformation by industrial enterprises registered a 20.8-percent increase over 1984. Larger transformation projects with more than 10 million yuan of investment each increased by 20.8 percent. Funds used in developing new products and increasing product variety also showed a substantial increase. Nearly 3,000 new products were developed, of which 1,600 were put into production.

9. Education on having ideals, moral integrity, education, and a sense of discipline was conducted thoroughly, and the advanced deeds of Qu Xiao, (Qi Fuqiang), and Pan Enliang were publicized emphatically. The heroic and exemplary deeds of the PLA were also publicized, which created strong repercussions throughout the province.

10. The activities of building civilized units cooperatively by army men and civilians were expanded, and their content enriched. More than 4,000 civilized units were built. The activities were developed from building civilized villages to building civilized townships, towns, counties; they benefited the people, and made brilliant contributions.

11. Some 2,330 achievements in scientific and technological research were scored. More than 40 of them, including industrial experiments with ceramic crystallized glaze and [words indistinct] test instruments, reached advanced world levels.

12. Good athletes won 124 gold medals at various domestic and international competitions and 4 world championships. Liaoning's (Dongyao) team won the first prize at the national first class soccer tournament, and its men's and women's basketball teams won first prizes at the national basketball championships.

13. The province's family planning rate was higher than 99 percent, still ranking among the best in the country.

14. The State Council approved the establishment of Xiuyan, Fengcheng, and Xinbin Man Autonomous Counties. This further embodied the party's policy of regional national autonomy.

LINK BETWEEN EXPORTS, IMPORTING FOREIGN TECHNOLOGY

HK290930 Yinchuan NINGXIA RIBAO in Chinese 12 Dec 85 p 4

["Economic Forum" article by He Zhaojun: "Correctly Handle the Relationship Between Expanding Exports and Importing Foreign Capital and Technology"]

[Text] In recent years our region has made some achievements in using foreign investment funds and importing technology. However, at present, a large number of comrades are concentrating their efforts only on how to use foreign investment funds and import up-to-date technology and equipment from abroad, but fail in their efforts to expand exports to earn more foreign exchange for the state. This trend must be checked as soon as possible. We must correctly handle the relationship between expanding exports and using foreign investment funds and importing technology.

Expanding exports and earning more foreign exchange are prerequisites for using foreign investment funds and importing technology. In explaining the proposal for the Seventh 5-Year Plan, Premier Zhao Ziyang pointed out: To enhance the economic efficiency of enterprises and to increase the ability to earn more foreign exchange through exports are two keys to the problems in production and construction during the period of the Seventh 5-Year Plan. Increasing the ability to earn more foreign exchange has an important bearing on our socialist four modernizations as a whole. It is also the material base for stimulating the overall development of foreign economic relations and trade. Our region started late in opening to the outside world and our economic basis is relatively weak. To achieve the goal of invigorating the economy of Ningxia, we should also absorb foreign funds and import modern technology and equipment. However, the volume of importing modern technology and equipment and buying what we are short of is determined by our ability to earn foreign exchange. We will accomplish nothing in opening to the outside world if we are short of foreign exchange. In our work of opening to the outside world, we must therefore give top priority to expanding exports and earning more foreign exchange. Only when our exports are expanded, will we be able to stimulate the whole of economic work and trade, and will we be able to provide a sufficient guarantee and lay a solid foundation for using foreign investment funds and importing modern technology.

Using foreign funds and importing technology can help increase our ability to earn foreign exchange. With the keen competition in the world market, many countries in the world are now seeking new ways to earn foreign exchange through exports and to open up new markets. In the face of sharp economic competition in the domestic and world markets, the minority areas which lag behind in the economic and technological fields should take the importing of technology and the use of foreign capital as a major means of expanding exports and increasing the ability to earn foreign exchange. We must import modern technology and equipment, carry out technological transformation in the existing enterprises producing export goods, and extend the factories which can make more exports possible in order to increase the output of export goods, broaden the variety of export products, and face critical competition in the international market place, and finally we will be able to increase foreign exchange earnings. Meanwhile, we must use foreign investment funds and import advanced technology to exploit the natural resources of our region so that we will be able to make the best use of these resources in promoting foreign trade and to have an ample supply of goods for export.

Expanding exports is closely related with the use of foreign capital and the import of technology; they promote each other. We should not be confined to importing alone; there must be exporting too. The volume of imports is determined by that of exports.

SHAANXI'S BAI JINIAN AT PARTY RECTIFICATION MEETING

HK290325 Xian Shaanxi Provincial Service In Mandarin 2300 GMT 28 Dec 85

[Excerpts] A 6-day provincial party rectification work conference concluded on 28 December. Provincial CPC Committee Secretary Bai Jinian made a speech, pointing out that in the course of party rectification, apart from correcting unhealthy trends in the economic field, it is also necessary to resolutely correct certain unhealthy trends in the thinking and work style of party cadres. He also demanded that the party and government leading organs throughout the province, schools of all grades and categories, and enterprises and units closely cooperate in grasping the work of training cadres, including rural grass-roots cadres.

Provincial CPC Committee Deputy Secretary Li Xipu gave a summation at the conclusion of the meeting. He said: Generally speaking, second-stage party rectification in Shaanxi has been done well. However, some problems also exist. The main ones are that ideological education in some units has not been done in sufficient depth or in line with specific goals; work has been done in a generalized way; slow progress has been made in investigating and dealing with major cases, and not many people have been charged; and there are trends of excessive leniency in dealing with violations of discipline and reregistering party members. Some places and units have failed to provide effective leadership for party rectification work; their work style is not thorough, and they dare not tackle tough problems.

Li Xipu demanded that all the tasks of party rectification be successfully completed from beginning to end in the prefectures and counties. Units that have carried out rectification must conduct a review to consolidate and develop the fruits of rectification. Units that have basically completed rectification must carry out a serious inspection. Units that cannot meet the five criteria should make up for the missed lesson or carry out rectification again, as appropriate. We must certainly not appease and indulge people and lower the standards. He stressed that units carrying out rectification must speed up the work of investigating and dealing with major cases, and mete out severe punishment in cases of unhealthy trends that have aroused strong resentment among the masses.

Li Xipu also put forward specific demands regarding the next step in party rectification in the rural areas. He said: In rural party rectification, especially at the village level, we must focus on education by positive example and on enhancing ideological awareness of the party members so as to ensure and promote reforms. He stressed: The main thing until winter and next spring is to complete prefectural and county party rectification with high standards and quality. We should also organize pilot projects in township rectification. In the first half of next year we should focus on district and township rectification, and also organize pilot projects in rectifying village party branches. Village-level party rectification will be conducted in a concentrated way in the winter of 1986 and the spring of 1987.

XINJIANG OFFICIAL DISCUSSES PLANNED PARENTHOOD

HK290215 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 28 Dec 85

[Article by (Yasheng Tuerxin), Vice Chairman of Regional Planned Parenthood Commission: "Improve Population Quality and Promote Nationality Prosperity"]

[Text] Xinjiang's planned parenthood work has made gratifying progress in the past year.

Practicing planned parenthood is the requirement of the four modernizations drive. It is a basic national policy and it also represents the fundamental interests of the people of all nationalities.

Xinjiang launched planned parenthood work in 1975. In the first few years of the work, efforts were mainly concentrated on the Han masses. During the past 10 years, the natural growth rate of the Hans in Xinjiang has dropped from 24 per 1,000 to about 7 per 1,000. The number of births over the period was 700,000 less than would normally have been expected, and the growth rate is below the national average.

In 1984 the relevant central document specifically stated that it is also necessary to practice planned parenthood in minority-nationality areas. The third session of the sixth regional People's Congress passed a resolution stipulating that planned parenthood be practiced among minority nationalities, but adding that it was essential to step up propaganda and education and create conditions for gradual implementation. In practicing planned parenthood, distinctions should be made between Hans and minority nationalities, with relatively strict demands on the Hans and appropriate relaxation for the minority nationalities.

This stipulation accords with the basic national policy of planned parenthood and also takes into account the actual conditions of the minority nationalities in Xinjiang.

I went to southern Xinjiang to investigate the views of the minorities on practicing planned parenthood. I discovered that the great majority of the cadres, intellectuals, workers, and peasants, and especially the women, had an enlightened attitude and agreed to practicing planned parenthood. Some women said: Unless we practice planned parenthood, our task can only be to give birth to and raise children, and we cannot take part in any social activities. How then could we contribute to the four modernizations?

There has been great development of the minority-nationality population in Xinjiang since liberation. The total minority population in 1949 was 4.04 million. By 1984 it had grown to 8 million, doubling in 30 years. This could not have been achieved without the nationality policies practiced by the party. After liberation, the root of oppression of the minorities disappeared. The party showed great concern for the state of medicine and public health in the minority-nationality areas, and this work has developed rapidly. Health standards have improved steadily. There has been a marked improvement of the quality of the minority-nationality population.

The hallmark of a nationality's prosperity lies not just in numbers but, more importantly, in the quality of the population. The health and cultural standard of a nationality and its ability to grasp modern scientific and technical knowledge are the hallmarks of a flourishing nationality.

China's main goal in practicing planned parenthood is to improve population quality. Next year, on the basis of this year's work, we will get a vigorous grasp of propaganda and education work. By means of the Planned Parenthood Commissions at all levels and the Planned Parenthood Propaganda Guidance Stations being set up in the prefectures and counties, we will publicize the party's principles and policies and teach and masses to respond to the call of the CPC Central Committee and do a good job in planned parenthood work.

With the support of the broad masses, we are confident that we can make a success of planned parenthood work. Improving population quality and promoting nationality prosperity is bound to become the common aspiration of every nationality and every person.

XINHUA RECOUNTS TAIWAN'S DIFFICULTIES IN 1985

OW301223 Beijing XINHUA Domestic Service in Chinese 0751 GMT 29 Dec 85

[By XINHUA reporter]

[Text] Beijing, 29 Dec (XINHUA) -- In 1985 a string of major political, economic, and social incidents occurred, and another economic recession has appeared in Taiwan. In trying to solve these problems, the Taiwan authorities have been worn down and unable to find a way to save the desperate situation. In fact, the crisis has become more intense than before. Early this year when the case of the murder of Chinese-American writer Jiang Nan was found to involve Taiwan, and the Taiwan authorities were compelled to implicate their intelligence officials, trying to put an end to the case but evoking public outcries both at home and abroad for a further investigation to discover the actual facts, another grave case was exposed -- the financial scandal of the Taipei Municipal 10th Credit Cooperative. This case of malpractice carried out by businessmen in collaboration with government officials lasted more than a decade during the terms of five different "finance ministers." Last February when the case was uncovered, it was found that the messed-up accounts totaled NT\$13 billion (equivalent to some U.S. \$300 million), and several tens of thousands of people suffered in this case either directly or indirectly. This was followed by a number of other major incidents, including the collective resignations of 14 nonparty "provincial councilmen" to show their discontent against an extra-budgetary bill, which was in violation of the law; a fire that broke out at the third nuclear power plant, inflicting a loss of NT\$7 to 8 billion; the sales of a large quantity of imported moldy corn containing a certain carcinogen; and the case of Li Yapin, publisher of an American paper INTERNATIONAL DAILY, who returned to Taiwan to visit her relatives and whom the Taiwan authorities first arrested and then were forced to release. These incidents, especially the Jiang Nan homicide case and the 10th Credit Cooperative's scandal, have exposed the basic drawbacks and decadent nature of Taiwan's political and economic structures and produced a forceful impact upon its political situation and popularity. What is more, the 10th Credit Cooperative's scandal has triggered a financial crisis. As a result, a number of enterprises successively declared bankruptcy, and two "finance ministers" were forced to step down. A political scholar in Taiwan, Huang Erxuan, said in an article published last June in the bimonthly ZHONGGUO LUNTAN [0022 0948 6158 1086 CHINA TRIBUNE] that because of the Jiang Nan homicide case and the 10th Credit Cooperative's scandal, Taiwan is "in an unprecedented convulsive state, the entire political and economic systems are twitching, and there prevails a predicament in which the central authorities are at a loss, the people's hearts are restless, and all functions are at a standstill."

Because of the impact of the 10th Credit Cooperative's scandal and the influence of the U.S. economic depression, this year has witnessed another recession in Taiwan's economy, which is at its lowest ebb since the 1983 economic revival. According to Taiwan's official estimate, its economic growth rate this year was only about 4.7 percent, far below the present target of 8.5 percent and less than one-half of last year's rate. Foreign trade, which has a significant role in Taiwan's economy, has showed a big decline, throwing many types of businesses into operational difficulties. Quite a number of enterprises have gone bankrupt or are facing the danger of bankruptcy. There are more conflicts between labor and capital than ever. The number of jobless people has also reached a record high for the past 20 years. What is especially serious is that the investment intention on the island has kept declining. As confessed by Zhao Yaodong, chairman of Taiwan's "Council for Economic Planning and Development," this year's investment intention is almost "equal to zero." This is a grave threat as it creates doubt as to whether Taiwan's economy can thrive again with the revival of the world economy. In May the Taiwan authorities established an "Economic Reform Committee" in an attempt to explore ways to stimulate investment, but after 6 months of haggling, there is still no way to save the plight.

In addition, this year the conflicts between the Kuomintang authorities and non-Kuomintang personages have reached a climax. Referring to the Jiang Nan homicide case, the 10th Credit Cooperative scandal, and other cases, the non-Kuomintang personages have constantly exposed and criticized the Kuomintang authorities' decadent features of one kind or another in magazines they run. The Kuomintang authorities have, on the other hand, stepped up control over speeches and unscrupulously forbidden the distribution of magazines published by the non-Kuomintang personages. This year over 75 percent of those magazines were banned, and the publishers of two magazines were sentenced on the fabricated charge of "libel". This act of the Kuomintang authorities has evoked a collective petition and protest by more than 50 non-Kuomintang personages.

In early September, two non-Kuomintang "Control Yuan members" submitted a proposal to the "Control Yuan" to impeach "Premier" Yu Guohua. At the same time, non-Kuomintang "legislators" in the "Legislative Yuan" questioned and attacked the domestic and foreign policies pursued by the authorities, and six of them collectively asked Yu Guohua to resign. Following the collective resignations of the 14 nonparty "provincial councilmen," there occurred an incident in which some nonparty "legislators" collectively withdrew from a meeting. In the "local elections" held in November this year, Kuomintang and non-Kuomintang candidates carried out an acute propaganda war to solicit votes. They used everything, including money, violence, power, and influence. The antagonism between them increased rather than diminished.

Due to a lack of clarity of the two major questions -- the inheritance of power and the choice of course to be taken in the future -- a feeling of uncertainty exists in Taiwan's society. This is the prime reason for the ever-growing political, economic, and social crises in Taiwan. This year many scholars, experts, non-Kuomintang public figures, and even Kuomintang members and some high-ranking officials in Taiwan have pointed out the fact that a "crisis of confidence" now prevails in Taiwan society, and that a radical political reform must be made, otherwise it will be difficult for Taiwan to extricate itself from the predicament. At a general interpellation on government work held by Taiwan's "Legislative Yuan" last October, many "legislators" repeatedly mentioned the issue of "crisis of confidence" and asked the authorities to establish a "Political Reform Committee," promote democracy, and build a legal system on the island as soon as possible so that they will be trusted by the people. However, this proposal was rejected by Yu Guohua.

This year there has been a stronger voice from all social strata in Taiwan requesting that the authorities relax restrictions on trade, travel to visit relatives, and contacts between the two sides of the Strait. Various kinds of forums and seminars aimed at exploring possible ways to hold peaceful talks and active reunification have been held one after another. In August, a "seminar on the mainland's economic reform and Taiwan's economic development strategies" sponsored by Taiwan's GONG SHANG SHIBAO [1562 0794 2514 1032 INDUSTRIAL and COMMERCIAL TIMES], which was the first of its kind on the island, stressed that in the face of the influence of the mainland's economic reform, the Taiwan authorities should adopt an "open-minded, reasonable, and flexible policy, allow entrepot trade, and open direct trade between the two sides of the strait. At several forums held overseas and on the island to discuss Taiwan's future, scholars made repeated appeals, pointing out that "it is imperative to face the question of contacts between the two sides of the Strait and to propose contact methods which are of a breakthrough nature." Nonetheless, the Taiwan authorities have, on the one hand, expressed that they will not interfere with entrepot trade. On the other hand, they have arrested Taiwan's businessmen for doing business with the mainland and have constantly announced that there will be "no contacts, no talks, and no compromise" and even tried to suppress the voice on the island that calls for peaceful talks and for a change in policy. The stiff position held by the Taiwan authorities against the trend of the times has further aggravated the crisis of confidence in Taiwan society and brought about the outflow of large amounts of funds, the exodus of people as emigrants to other countries, and the social extravagance in society.

MING PAO ON 'PRINCES' PARTY', CADRE SELECTION

HK300930 Hong Kong MING PAO in Chinese 30 Dec 85 p 5

["Beijing Scene" column by Chang Hsing: "'Princes' Party'"]

[Text] After returning from abroad, I heard some news. One piece of news was about the student demonstrations. A few days ago I met a friend at Beijing University. A student there told me that Beijing Mayor Chen Xitong had talked with some student representatives and answered their questions. Many of those questions were quite sensitive. I asked him what the questions were. He said: "One of them was about the 'princes' party." The so-called "princes' party" refers to the fact that the CPC is choosing and promoting many senior cadres' children into the third echelons. I was also concerned about this question because I also heard of various comments on this kind of thing when I was overseas. One day, when I had tea with a friend who works at an organization department, I asked him about the promotion of a large number of senior cadres' children. He said: "This is a completely groundless rumor. There is no such thing. A few days ago we issued a document, saying that 'the party central leadership did not have this policy.'" He also told me that Hu Yaobang had issued an instruction with 16 characters: "When selecting cadres, attention should not be paid to their family background but should be paid to their political quality and work ability." I cannot find out whether Hu Yaobang has given such an instruction, but some data may show the real situation in this regard: First, children of senior cadres at and above the level of vice minister account for just 2.8 percent of the 1,000 members of the third echelon at the provincial and ministerial level. Second, senior cadres' children account for merely 4.3 percent of the existing leaders of the 110 ministries, commissions, offices, and other departments directly subordinate to the State Council. Third, senior cadres' children account for 2.9 percent of all members and alternate members of the CPC Central Committee. Most of these senior cadres' children in the top leading bodies are in their 40's and 50's and have experienced the tests of work over a long time. Most of their parents have retired or have passed away. This shows the question of the "princes' party" is merely conjecture by some people. An interesting fact is that in recent years, a large number of intellectuals have entered the leadership of the CPC. Among the 190,000 cadres being promoted to leading posts at and above the county level, more than 110,000 are university graduates, and more than 70,000 people have senior or middle-level professional titles. It is unprecedented that so many intellectuals have entered the CPC leadership at all levels.

I said to my friend: "It is possible that the candidates for the third echelon were determined by some individual leaders, and Wang Zhaoguo is an example." He said: "You just look at things superficially. At present, there are four stages in the process of selecting members of the third echelon; namely, mass recommendation, party organization's examination, party committee discussion, and approval by the higher authorities. The case of Wang Zhaoguo, who was promoted from deputy secretary of a factory party committee to secretary of the CYL Central Committee, seems to be an example of getting promoted very fast. In fact, his promotion also underwent the above-mentioned four stages. It is said that after Deng Xiaoping recommended Wang to Hu Yaobang, Hu on the one hand asked the Central Organization Department to check Wang's record, on the other hand Hu also personally talked with Wang to assess his ability. So, Wang Zhaoguo's promotion was not decided by Deng Xiaoping alone."

This friend also said that the Central Organization Department last year sent 35 groups consisting of some 600 cadres to various provinces and ministries to investigate the work performances of the 1,300 candidates for the third echelon. Then, why are there various comments on the so-called "princes' party" problem? According to some people's analysis, in the promotion of thousands of cadres, some people have made use of third powers and family connection to promote some senior children whose moral character is bad.

This has had a very bad influence on the public. The main reason for this problem is the lack of a sound cadre appointment system and is not the appearance of a so-called "princes' party." At present, there are some 690,000 cadres at and above the county level. Of them, those at and above age 56 account for 20 percent, and those at and above age 50 account for 51 percent. This shows that the process of succession of new cadres for old cadres will have to continue for a rather long time. If the party does not establish a scientific cadre appointment system, it is unavoidable that some deviations may appear and be criticized by public opinion.

MING PAO CITES JIEFANGJUN BAO ON POLITICAL WORK

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["Special Dispatch From Beijing": "PLA To Step Up Political Work, Says Material Reward Is Secondary"]

[Text] The PLA has reiterated the importance of ideological and political work. It holds that in the Army, we "should put the main stress on spiritual encouragement, while letting material reward be secondary." JIEFANGJUN BAO carried a commentator's article in which it says: 'People do not have a unanimous understanding about strengthening ideological and political work. "Some hold that as we are building the four modernizations, ideological and political work is not as effective as before; some hold that ideological and political work is not important now because it no longer assumes 'command'; furthermore, some regard the streamlining of political organs as work weakening ideological and political work." This commentator's article, entitled "Correctly Understand the Status and Role of Political Work," points out: The reason that some people doubt the effectiveness of ideological and political work is mainly because they believe that material rewards are more effective than ideological and political work. However, material rewards are necessary only to a certain limit, and under no circumstances can they replace ideological and political work. Only when we strengthen ideological and political work while implementing a limited degree of material rewards, can we make people take a lofty attitude, become farsighted, and maintain an innovative mental attitude.

The article stressed: In the Army, we "should put the main stress on spiritual encouragement, while letting material rewards be secondary. If there are only material rewards but no ideological and political work, people will be limited to the pursuit of material benefits. They will be unable to resist the corrosion of various corrupt factors, and will lose their direction of advance to such an extent that they may do things which go against the interests of the state and the nation."

The article said: The number of political cadres has been reduced following the recent streamlining and reorganization. But we must not take this as a way of weakening political work. The key to the issue of whether or not work is weakened rests not on the number of people but the quality of people. If the people do not have good quality for the work, they will still be unable to do well, even when more manpower is added. But if they have good quality, they will do well in it even when their number is reduced. Therefore, we should change the concept of "a large number of people make matters easy to handle." There are two main points when we strengthen our future ideological and political work: First, is to improve the quality of political cadres; second, is to take the mass line and let everyone take part in the ideological and political work. "CPC Members, CYL members, and cadres at various levels including military commanders and leading logistics cadres should grasp simultaneously the two civilizations (socialist spiritual civilization and socialist material civilization). They should shoulder simultaneously the two tasks and strive for simultaneous fruitful results in these tasks."

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